

1 PUBLIC MEETING
2 BETWEEN THE USNRC O350 PANEL
3 AND FIRST ENERGY NUCLEAR OPERATING COMPANY
4 OAK HARBOR, OHIO

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6 Date and Time: Tuesday, February 22, 2005⁴
7 2:00 p.m.

8 Place: Davis-Besse Administration Building
9 Energy Education Center
Oak Harbor, Ohio

10 Reporter: Marie B. Fresch
11 Registered Merit Reporter
12 Notary Public, State of Ohio

13 PANEL MEMBERS PRESENT:

14 U.S. NUCLEAR REGULATORY COMMISSION

15 Steve Reynolds
Chairman O350 Panel
16 Christine Lipa
Projects Branch Chief
17 Jon Hopkins
NRR Project Manager
18 John E. "Jack" Rutkowski
Resident Inspector
19

20 FIRST ENERGY NUCLEAR OPERATING COMPANY

21 Mark Bezilla, Vice President
Barry Allen, Director - Site Operations
22 Steve Loehlien, Director - Engineering
Ray Hruby, Manager - Nuclear Oversight
23 Kevin Ostrowski, Manager - Plant Operations
24
25

1 MR. REYNOLDS: Good afternoon.
2 My name is Steve Reynolds, and I'm the Davis-Besse 0350
3 Oversight Panel Chairman, taking Jack Grobe's spot.
4 Jack has been asked to go on and into headquarters and
5 work on some security issues with other federal
6 agencies. He's off doing that special project at the
7 request of our chairman.

8 Today's a public meeting between the NRC and
9 FirstEnergy Company talking about Davis-Besse. Public
10 meeting means it's open for public observance; and at
11 the end, the NRC will make itself available to answer
12 any questions.

13 Out front, I think there should have been some
14 handouts, both some slides that the NRC uses and slides
15 that Davis-Besse will be using. Also, you should have
16 at least had the opportunity to grab a feedback form.
17 We use those to improve our public meetings. And this
18 is the first public meeting for Davis-Besse in the
19 afternoon, so we would like feedback from any members in
20 the audience whether they like this afternoon forum or
21 they prefer the evening forum.

22 This will be our second meeting here in this
23 building. The previous meetings have been off site; in
24 town, at the high schools, and other locations. We
25 appreciate some feedback on whether you would rather

1 have it here or off site. We also appreciate that
2 feedback.

3 Also, on the comments of the meeting, sounds
4 like the microphones are working pretty well, but if you
5 can hear us okay; are the slides readable, format and
6 logistics; we appreciate feedback on that too.

7 Feedback forms, you can fill them out and fold
8 them up and drop them in the mail or you can hand them
9 to anybody from the NRC, any of us here at the table, or
10 Nancy Keller, who is I think out back by the table where
11 you came in. She would take them also.

12 Now, the purpose of this meeting is several
13 fold. First, the NRC will talk a little about our
14 activities over the past six weeks or so. We'll talk a
15 little bit about our perception of the Mid-Cycle Outage.
16 Mid-Cycle Outage, as many of you may know, was required
17 by our order. We'll talk about that and our inspection
18 activities.

19 Then, we'll turn it over to Licensee, let them
20 discuss their assessment of their plant performance and
21 discuss their activities going forward. Then, we'll
22 formally end the meeting between Davis-Besse and the
23 NRC. And then Nuclear Regulatory Commission will be
24 available to answer any questions from the audience.

25 I think it depends on how long we take,

1 somewhere between our presentation and somewhere during
2 the Licensee's presentation, Davis-Besse presentation,
3 probably an hour to an hour and a half from now, we'll
4 find a place to take a break, if we think we're going to
5 go for more than two hours or so. Probably several
6 people finished lunch awhile ago and could use a break
7 in an hour or so.

8 With that, I think I'll turn the rest of our
9 program over to Christine.

10 MS. LIPA: Thank you,
11 Steve.

12 I wanted to mention, one of the handouts was
13 the NRC's update document. On page two of that
14 document, there is an -- or page three, there is a box
15 at the bottom that has information for how you can
16 contact the NRC Public Affairs Officer; also information
17 how to get to the Davis-Besse website, which has moved
18 to a different location. It's still pretty easy to
19 find, but the guidance is there and in our slides.

20 I wanted to go next to the slide with the
21 agenda, which Steve has pretty much already covered, as
22 far as what we'll be covering today. I'll go ahead and
23 make introductions here at our table; and I'll turn it
24 over to you, Mark, to introduce your folks.

25 To my left, I have Jon Hopkins. He's the

1 Project Manager in NRR out of headquarters, and he's
2 responsible for licensing at Davis-Besse.

3 Of course, I'm Christine Lipa. I'm the Branch
4 Chief in Region III. I have the responsibility for
5 oversight of the inspection program here. We're also
6 members of the panel.

7 Steve Reynolds already introduced himself.
8 He's the Chairman of the Davis-Besse Oversight Panel.

9 And then Jack Rutkowski is not a member of the
10 panel, but he is a member of the Resident Staff
11 Inspectors on site.

12 We also have Monica Williams. She is an NRC
13 Inspector. She is one of the Resident Inspectors here
14 on staff full time.

15 And on the table on the way in was Nancy
16 Keller, who is the Resident Office Assistant.

17 Also, Jan Strasma is our Public Affairs
18 officer.

19 That's about it for NRC folks today, I
20 believe. And, did you want to go ahead and introduce
21 your folks?

22 MR. BEZILLA: Thanks,
23 Christine. Just one thing before that, I know there is
24 plant folks here, so like beepers or cell phones, if you
25 would put them on buzz or stun, that would be a good

1 thing, please.

2 To my left, Ray Hruby. He's our Manager of
3 Nuclear Oversight.

4 Next to him and myself is Steve Loehlein,
5 Director of Engineering at the site.

6 To my far right, Kevin Ostrowski, Manager of
7 Operations.

8 And to my immediate right, Barry Allen,
9 Director of Site Operations.

10 Also in the audience, we've got Lew Myers,
11 Chief Operating Officer; Joe Hagan, Senior Vice
12 President of Engineering and Services; we have Ralph
13 Hansen, the interim Vice President of Nuclear Oversight.

14 And, I think that's it, Christine.

15 MS. LIPA: Okay, thank you.

16 So, as Steve mentioned, we'll go through the rest of
17 this agenda. We'll talk about the NRC-related
18 activities, then turn it over to FirstEnergy for some
19 discussion. And we'll take a break at the appropriate
20 time. And, then, once the formal business portion of
21 the meeting is over, we'll adjourn the business portion
22 of the meeting, but we'll have public comments and
23 questions for the Nuclear Regulatory Commission folks.
24 We'll go right into that at the end of the formal
25 business portion.

1 I also want to mention that we're having the
2 meeting transcribed today, so it will be important for
3 everybody to clearly speak into the microphones, so
4 everyone can hear you and for the record. That
5 transcription will be available on our website in about
6 3 to 4 weeks.

7 The next slide shows our recent NRC
8 activities. And there was a Mid-Cycle Outage that began
9 the middle of the January. As Steve mentioned, part of
10 that Mid-Cycle Outage was to inspect the upper and lower
11 heads. That was required by the NRC order. There was
12 no evidence of any leakage found.

13 Also, the pressurizer penetration nozzles was
14 a temporary instruction that NRC issued to have
15 utilities look at those penetrations for any indications
16 of leakage. And that was performed here, as well as NRC
17 inspected that activity.

18 We also evaluated the Licensee's steam
19 generator tube inspection activities, including the
20 results of what they found and how they dispositioned
21 those.

22 Then, we had NRC management out at the
23 facility during the outage, including Steve Reynolds and
24 myself and also Cindy Petersen, who is our Director of
25 the Division of Reactor Safety. And, of course, the

1 Resident Inspectors covered startup activities, shutdown
2 activities, and ongoing day-to-day activities during the
3 Mid-Cycle Outage.

4 We also had a Problem Identification and
5 Resolution Inspection. That was a team inspection that
6 was performed here in December. That report was issued
7 in January. And the overall from that inspection, we
8 concluded that the Corrective Action Program appears to
9 be showing some signs of improvement. The Utility has a
10 lot of initiatives in place or that are being worked on
11 to improve that program. And we would continue to
12 monitor that progress.

13 I also wanted to mention, back to the
14 Mid-Cycle Outage briefly, we did have our Lead Inspector
15 for Engineering Areas is John Jacobson. He was on site
16 during the in-service inspection activities during that
17 Mid-Cycle Outage.

18 I wanted to let Jon offer some thoughts on the
19 Steam Generator Inspection.

20 MR. HOPKINS: Yeah. Mark, and
21 others, as you may be aware, there were several phone
22 conversations between NRC headquarters and your staff
23 about the inspections conducted during the outage, in
24 particular the steam generator outage inspections.
25 Those phone calls went well. We got the information we

1 needed and we were satisfied with what you told us.

2 What I want to emphasize is for the future
3 really, any inspections of the reactor coolant pressure
4 boundary, you know, we want to be engaged with your
5 findings immediately, not wait for like 60-day reports
6 that we may require or anything, but immediately.

7 This went well, this outage. And that's the
8 same sort of thing that we'll want to, communication
9 we'll want in the future also, especially on the
10 generators when you do have findings, that you need to
11 repair.

12 Another issue I would like to mention that
13 hasn't come up before, but technical specifications in
14 reality. Davis-Besse has followed standard
15 specifications. And now that you're operating as a
16 fleet, Perry has new improved technical specifications
17 and Beaver Valley is just asking for them.

18 Talking with NRR management, we would like to
19 encourage Davis-Besse to also ask for new improved
20 technical specifications. We think it could be a real
21 benefit to you and it also will eventually save the
22 staff some resources too. We think that's the way to
23 go, rather than possibly continuing, you know, piecemeal
24 improving this spec and then that spec.

25 MR. BEZILLA: John, that's in

1 our business plan and it's over the next few years, so
2 we'll be working on that and we'll be in communication
3 with you.

4 MR. HOPKINS: Okay. That's
5 all I have. Thank you.

6 MS. LIPA: Okay, thanks,
7 Jon.

8 Okay. The next slide talks about our
9 Confirmatory Order activities. And at this point, all
10 four of the Independent Assessments have been submitted,
11 have been completed, the results analyzed by the
12 Utility, obviously, and then submitted to the NRC along
13 with action plans for all the areas identified for
14 improvement.

15 The NRC has reviewed three of those to-date in
16 detail as far as understanding what the reports found
17 and what your plans are; and it looks like you have
18 reasonable plans to address the areas that were found.

19 The last one, which is the second bullet, is
20 that the NRC has yet to complete our review of the
21 Independent Assessment for Safety Culture and Safety
22 Conscious Work Environment. We do have that planned in
23 the near term to review that with the team that was out
24 here during the recovery for the Management, Human
25 Performance. We have the same team working on that

1 report and they will be planning an on-site inspection
2 in April.

3 The next slide shows the upcoming NRC
4 activities. In April through May, there is another
5 important NRC Team Inspection. And that's the new
6 installation of the Safety System Design and Performance
7 Capability.

8 Then also we have in August 2005, we have
9 another PIR, which is the Problem Identification and
10 Resolution. Then decided to do those once a year rather
11 than once every other year, that the baseline program
12 would have, but this has been determined by the panel
13 for last year and this year to do one a year.

14 Then, obviously, the continued Resident
15 Inspector activities continuing.

16 In the cover letter to our last inspection
17 report, we mentioned the Performance Indicators. Next
18 slide. The Performance Indicators during calendar year
19 2004, even though there are a bunch of those Performance
20 Indicators that were reported as green, we thought that
21 because of the extended shutdown, that the indicators
22 were not fully meaningful, so we did additional
23 inspections in the areas that would be covered by that
24 performance.

25 We decided that as of the end of the year,

1 that the Performance Indicators are now valid,
2 meaningful indicators of performance, so we do not need
3 to do the additional inspection that was done in
4 calendar year 2004 in the area of the Performance
5 Indicators.

6 That's in the cover letter that was sent to
7 your last inspection as well as any NRC update that we
8 have today.

9 The last bullet I have here is the website
10 location, which is the change to how you get to it off
11 the NRC web page.

12 That's all I have for our part of the
13 presentation today. Unless there is anything else from
14 the NRC table, we'll go ahead and turn it over to you.

15 MR. BEZILLA: Okay. Thank
16 you, Christine, and good afternoon everyone.

17 First, our Desired Outcomes. We would like to
18 demonstrate Davis-Besse's Operations continue to be safe
19 and conservative. We'll discuss site activities since
20 the last meeting. And we'll status the improvement
21 initiatives, specifically the Engineering programs and
22 Safety Culture/Safety Conscious Work Environment
23 Independent Assessment.

24 Next slide.

25 The agenda, Barry will talk briefly about

1 Plant Performance and also cover Steam Generator
2 Inspection, Mid-Cycle Outage; I'll say accomplishments
3 and results. He'll turn it over to Steve, who will talk
4 about the Confirmatory Order Independent Assessment of
5 Engineering Program Effectiveness. I'll follow with
6 Organizational Safety Culture, including Safety
7 Conscious Work Environment. And then we'll turn it over
8 to Ray to give Oversight's perspective.

9 And with that, I'll turn it over to Barry.

10 MR. ALLEN: Next slide,
11 please.

12 Davis-Besse is currently operating at one
13 hundred percent power with output of approximately 945
14 megawatts electric. And the station is at 13 continuous
15 days of safe service with 40 consecutive Human
16 Performance success days.

17 Next, I want to mention some of the noteworthy
18 items which have occurred since our last meeting on
19 December 6th.

20 December 16, we had the Exit on the Biennial
21 Problem Identification and Resolution Inspection. You
22 spoke about that, Christine. And I don't think I'll add
23 anything more there.

24 On December 21st, Doctor Sonja Haber provided
25 her initial debrief of her team's Independent Assessment

1 of Safety Culture and Safety Conscious Work Environment
2 and Mark will discuss that later in the presentation in
3 some detail.

4 Then, on December 23rd, Ottawa County declared
5 a Level 3 Snow Emergency and we entered our Station
6 Isolation procedure. That was due to adverse and
7 degrading road conditions.

8 On January 5th, we had asked Doctor Haber to
9 come back to Davis-Besse; and Doctor Haber presented her
10 team's Independent Assessment results to employees in an
11 All Hands Meeting here on site.

12 Then, on January 13th, we lost our 4160 volt
13 AC D1 Bus during the performance of our monthly D1 Bus
14 under voltage functional test. And the Bus loss
15 resulted in a reset of the station Human Performance
16 Success Days Clock; however, the Operations crew did
17 respond well to the Bus loss. We were pleased with
18 their performance.

19 On January 17th, we began our planned Steam
20 Generator Inspection Outage, which included the NRC
21 Mid-Cycle In-Service Inspections you mentioned
22 previously, Christine. I'll discuss our outage
23 performance in a greater detail later in the
24 presentation.

25 Commencing on January 18th, we also had an NRC

1 ALARA and Radworker Access Control Inspection. And the
2 feedback on the Radiation Protection Department and on
3 our site of ALARA and Radworker practices were generally
4 very positive. We were pleased with those inspection
5 results.

6 We also had several tours and visits
7 throughout this outage; including on January 20th, Gary
8 Leidich toured the plant, including the Containment
9 building.

10 As you mentioned, Christine, both you and
11 Steve were here on site on January 25th.

12 And on February 3rd, our FirstEnergy Executive
13 Vice President and Chief Operating Officer toured
14 Davis-Besse.

15 And then, on February 9th, we synchronized the
16 generator to the grid during our Generator Inspection
17 Outage.

18 Some of our key events on the horizon for this
19 year include; the week of March 14th, will be the
20 Industry Accreditation of our Technical Skills Training
21 Program.

22 And, beginning on April 18th, we'll have the
23 NRC Safety System Design Performance Capability
24 Inspection; and that will be reviewing our Electrical DC
25 Systems and our Auxiliary Feedwater Systems.

1 Then, in May, we'll have our Biennial
2 Maintenance Rule Inspection. And also in May, we'll
3 have an Evaluated Emergency Preparedness Exercise.

4 So, in conclusion, Davis-Besse Operations
5 continue to be safe and conservative.

6 In previous meetings, we discussed our
7 preparations for our Steam Generator Inspection Outage,
8 and now I'll discuss our performance during the outage.

9 This outage was a great opportunity for us to
10 clearly demonstrate our focus on safety as a station.
11 And from an industrial safety or personnel safety
12 perspective, there were no lost time accidents and there
13 were no OSHA reportable incidents. From a nuclear
14 safety perspective, there were no challenges to our
15 shutdown safety. From a chemistry and dose perspective,
16 we had a very effective Reactor Coolant System cleanup
17 from the outage. From a radiological perspective, we
18 met every dose and personal tabulation goal we had set.

19 We also improved the material condition of the
20 unit, which I'll cover in following slides. And we
21 believe we set a very positive tone for the year in that
22 we planned our work, we worked our plan, and we did so
23 in a manner which facilitated open communications and a
24 very positive Safety Culture.

25 MR. REYNOLDS: Barry, could you

1 give us some data on your radiologic performance? I
2 know you exceeded your dose and personnel contamination.
3 I think it's noteworthy you tell us what that was.

4 MR. ALLEN: Steve, we set a
5 goal for dose exposure of 45 man-rem exposure. That was
6 based on the scope of work we felt like we knew was in
7 the mid-cycle. We had some emergent work that we'll
8 talk about some; steam generators will be a good example
9 of scope expansion. We still managed to meet our goal
10 with approximately 50 millirem to spare.

11 So, we felt very good about the fact that we
12 started off well, did perhaps better than we
13 anticipated, in part maybe due to the good RCS cleanup
14 we had. And we were therefore able to accommodate the
15 increased scope activities during the outage and to
16 bring that in.

17 And then we had done some benchmarking in the
18 industry to look at personnel contamination. We did
19 this procedure during the outage. What we saw from our
20 experience was 80 was a typical average for a station in
21 outage. We set what we thought was a pretty challenging
22 goal of 40 or less personnel contamination events. And
23 we completed the outage with only 16 personal
24 contamination events.

25 MR. REYNOLDS: 16?

1 MR. ALLEN: 16. Those were
2 all very minor contamination. Felt like the station
3 stepped up and did a great job in that area.

4 MR. REYNOLDS: Can you give me
5 any specifics or insights of what contributed to the
6 success for the dose and for the personal
7 contaminations? You talked a little about RCS cleanup.

8 MR. ALLEN: I believe it
9 really goes back to containment. We left containment at
10 the last outage clean. We went and inspected that thing
11 during the cycle; knew it was clean. So, we had good
12 ownership of the containment building going in. And RP
13 Department took the challenge to ensure that we left the
14 outage containment as clean as it was when we found it.
15 We accomplished that.

16 And then we just really, we talk about every
17 day at the shift turnover meetings, morning and evening,
18 each department and each project talked about their dose
19 and their personal contamination events, if any, that
20 had occurred on their shift, the previous shift. And
21 so, each, say, personal contamination event was treated
22 significantly.

23 So, rapid response, quick investigation; and
24 so we just took that all very seriously. I think the
25 organization responded to the good communications we had

1 on that. So, we're very pleased with that.

2 MR. REYNOLDS: Good, thank you.

3 MR. ALLEN: Some of our
4 major planned accomplishments are listed on this slide. Our
5 Steam Generator Testing went very well. Although we had
6 scope expansion, we had very strong project management
7 and very pleased with that.

8 We also replaced our Train 2 Station
9 batteries, and that work went extremely well.

10 From a Reactor Coolant System perspective, we
11 had numerous inspections performed during the outage.
12 And, again, those revealed no Reactor Coolant System
13 leakage. And that put head inspections and under vessel
14 inspections, the control rod drive mechanism
15 inspections, the pressurizer nozzle inspections, and our
16 Loop 2 reactor coolant gasket inspections. So, I'm very
17 pleased with those inspections.

18 MS. LIPA: Could you talk a
19 little more on what you found on reactor coolant pumps
20 when you did those inspections?

21 MR. ALLEN: We pulled the
22 insulation off the reactor coolant pumps, 2-1 and 2-2.
23 And we inspected the gasket surface on the exterior of
24 the reactor coolant pumps. And what we were looking for
25 was external leakage, that we have a failure or breach

1 of the external gasket. And we had our criteria set up
2 in advance of what that would look like and how we would
3 respond. And what we saw was no evidence of any gasket
4 problem.

5 We saw a small amount of wetting, very small
6 amount of Boron. That's more due to the thermal changes
7 in heat up and cool down and the gasket is not as
8 resilient as it used to be when it was new. So, what we
9 saw was what we expected to see during normal thermal
10 growth and coolant reaction, but did not see any
11 evidence of gasket issue, gasket failure or external
12 issue.

13 MS. LIPA: Thank you.

14 MR. ALLEN: Some of our
15 major accomplishments --

16 MR. REYNOLDS: Barry, can I
17 interrupt you?

18 MR. ALLEN: Oh, sure.

19 MR. REYNOLDS: Would you talk a
20 little about your results of your Boric Acid Corrosion
21 Control Inspection?

22 MR. ALLEN: The Boric Acid
23 Corrosion Control Inspections, I don't have a total
24 count, Steve, but we probably looked at several hundred
25 components; and then those were all entered into our

1 Corrective Action Program. And I would say probably the
2 most significant take-away from the outage, at least
3 from my perspective, was as we began to heat the unit
4 up, I got the normal operating pressure and near normal
5 operating temperature, we did do a thorough walkdown in
6 containment to look at all those components and we broke
7 that up into three different inspection teams.

8 So, I had the privilege to lead one of those
9 teams through the east D-ring, if you will. Kevin also
10 led a team. We had a third team. And what we were
11 looking for, in addition to normal inspection
12 activities, if you will, was any evidence of active
13 Reactor Coolant System leakage. And there were none
14 identified.

15 We did find a high point vent that was dripping
16 just a little bit. We've seen that before. But other
17 than that, that was the only wetted location we were
18 able to find.

19 So, we did a lot of inspections; did a lot of
20 cleaning; documented all that in reports with the
21 program. We packed valves and things where appropriate,
22 and then gave it a very thorough walkdown at normal
23 operating pressure, near normal operating temperature to
24 ensure when we left the containment, we don't have any
25 RCS leaks.

1 MR. RUTKOWSKI: Barry, how did
2 you find containment on initial entries for leakage?

3 MR. ALLEN: Leakage?

4 MR. RUTKOWSKI: Did you find
5 many components you needed to work?

6 MR. ALLEN: I was going to
7 tell the story, but Mark wants to tell it.

8 MR. BEZILLA: I've got to tell
9 a story, right? So, we had one of our deconers that was
10 here prior to the extended shutdown, one of the first
11 individuals in during that outage. And the conditions
12 were not very good as you all know, right. Well, that
13 same individual was back to help us. It was a
14 contracted individual. He was back to help us, and he
15 was on the initial entry for the Mid-Cycle Outage. He
16 went in and relayed this story to the outage team.

17 He said he went in and he had to work to find
18 contamination and really couldn't find anything over
19 about one to two thousand counts per minute from his
20 survey and smears that they took. So, it was a very
21 positive interaction with that individual.

22 So, from a health standpoint, containment was
23 pretty much as we had left it a year ago, if you will,
24 and as we had found it in August when we had the reactor
25 trip. Thanks.

1 MR. ALLEN: Jack, you also
2 asked about leak rate. As you may recall, going into
3 the outage our unidentified Reactor Coolant System leak
4 rate was essentially at zero gallons per minute. So, we
5 anticipated not seeing much in terms of leakage. Again,
6 as Mark said, very pleased with cleanliness of
7 containment when we made the initial entry.

8 Ready to proceed?

9 MR. REYNOLDS: I'm okay. May
10 come back.

11 MR. ALLEN: May come back.

12 Again, some of our major accomplishments. We
13 have some photographs here. Top left photograph, this
14 was a replacement of our festooned cable assembly on top
15 of our polar crane. This is where it was stored and
16 rigged in containment prior to lifting it up to the top
17 of the polar crane.

18 Top right is a photograph of turbine bypass
19 valves. We worked on five of our turbine bypass valves
20 during the outage; and implemented an actuator mod on
21 two of the valves, specifically to provide more closing
22 force. I'll talk a little more about that later, but
23 that appears to have significantly improved. Those
24 valves have performed very well since that time,
25 modification.

1 Bottom left photograph, we trained on steam
2 generator mockups which we set up on our turbine deck
3 prior to starting system generator work. And that type
4 of preparation is some of the things I believe helped us
5 meet our outage specs and personal contamination goals.

6 And the bottom right photograph, steam
7 generator inspection in progress. Indications from that
8 inspection indicate that our steam generators are in
9 good health and there were no new degradation methods
10 identified during that inspection.

11 One of our outage objectives was to resolve
12 and identify operator burdens. During the outage, we
13 went into the outage with eight control room
14 deficiencies, and we resolved all eight of those control
15 room deficiencies. We also repaired three of three
16 Level 1 operator workarounds during the outage, as well
17 as resolving one Level 2 workaround. And in addition,
18 we removed ten temporary modifications during the
19 outage.

20 In the following set of slides, I'll provide
21 you with some additional information about some of the
22 specific work performed during the outage to resolve
23 these operator burdens.

24 MR. RUTKOWSKI: You still have
25 one Level 1 right, associated with the turbine bypass

1 valves?

2 MR. ALLEN: Yes, we have an
3 additional turbine bypass valve. We have one valve,
4 which under very slow load tends to stick a small
5 amount. It appears that the modification we made to the
6 actuator on the two valves are very successful and we
7 look at putting that modification on the remaining
8 turbine bypass valves in the future.

9 I believe we have a good solution to that, and
10 did not want to do that modification on all valves at
11 the same time. Our desire was to put it in on a couple
12 of valves, ensure it worked, have them come mode issues
13 and we'll go forward with the rest of the valves.

14 MR. OSTROWSKI: Overall, the
15 operator have been very pleased with what had been done
16 during the mid-cycle outage. The turbine bypass valves
17 operated very well, as well as the other items Barry
18 mentioned.

19 MR. ALLEN: Next slide.

20 As you may recall, our control rods could not
21 be remotely transferred to and from their auxiliary
22 power supply. Control rod drive remote transfer
23 function was restored during the outage to eliminate
24 this control room Level 1 workaround.

25 We also had an intermittent ground condition

1 on our electrohydraulic control system, negative 24 volt
2 DC system. And the intermittent ground condition was
3 resolved during the outage to control this Level 2
4 workaround.

5 MR. REYNOLDS: Ground
6 condition, pretty hard to find. Was this ground in the
7 whole time, were you able to follow or was this
8 intermittent ground you were able to find?

9 MR. ALLEN: This was
10 intermittent ground typically solved when we were doing
11 testing and what we found was a lock washer in the
12 switch, that is a lock washer was moving around, so at
13 times it would cause a ground and other times it would
14 be in a position where it locked.

15 MR. REYNOLDS: Okay. Thanks.

16 MR. RUTKOWSKI: And that was
17 also responsible for the hang up of the master trip
18 solenoid?

19 MR. ALLEN: Well, we did
20 replace the master trip solenoid valve, Jack. So, we
21 also got the ground condition during the master trip
22 solenoid testing, but we did pull the block off and
23 replace the solenoids.

24 We also had an issue with a rod actual
25 position indication from Rod 2-3 going into the outage,

1 and replaced relays here; and replacing those relays
2 restored the actual position indication for Rod 2-3, the
3 normal configuration and eliminated that control rod
4 deficiency.

5 Our open indicating light for valve main steam
6 101 would not illuminate during the mid-cycle.
7 Indicating light function was fully restored after limit
8 switch adjustment to limit this control room deficiency.

9 MR. REYNOLDS: Do you know if
10 that limit switch just went out of adjustment over time
11 or it wasn't, was installed incorrectly? Do you know
12 what the cause of the light not working?

13 MR. ALLEN: Steve, it was
14 just slightly out of adjustment. We knew at power it
15 was slightly out of adjustment, but from a risk
16 perspective, since it was main steam isolation valve, we
17 just elected to, since we knew the main steam isolation
18 valves were open and all we were lacking was a light
19 indication, we just elected from a risk perspective to
20 perform that work during the outage as opposed to
21 incurring some risk online.

22 MR. REYNOLDS: Okay.

23 MR. ALLEN: Also the control
24 switch for the main steam first stage high pressure
25 turbine extraction valve was loose and would not

1 illuminate. And the control switch was replaced to
2 resolve this control room deficiency.

3 We also had an indication issues with two main
4 feedwater flow indicating controllers, where we had some
5 offset on the demand meters. One controller was
6 replaced, the other controller was calibrated to resolve
7 these two control room deficiencies.

8 On the reactor coolant pump 2-1, we had a
9 reactor coolant pump steel standpipe alarm malfunction,
10 which existed going into the outage. We replaced a
11 relay and level switch to improve this control room
12 deficiency.

13 And our coolant valve tower 861, we had a
14 deficiency where the amber throttle indicating light,
15 which is the top light in the photograph, failed to
16 illuminate when the valve was in mid or throttle
17 position. And we did replace the old position switch to
18 eliminate this control room deficiency.

19 MS. LIPA: Did you
20 determine the cause for that one, Barry, whether it was
21 a lightbulb or?

22 MR. ALLEN: It was just a
23 switch. We had to replace the switch, Christine,
24 defective switch.

25 We spoke about turbine bypass valves awhile

1 ago. Two of our turbine bypass valves going into the
2 outage exhibited erratic performance, some sticking
3 occurred under dynamic load. This is where we modified
4 the actuator design for these two valves to resolve this
5 level in workaround, and essentially put in stronger
6 springs to help close the valves, and set the actuators
7 up where they're double acting on also air to help
8 close. So, had very good performance since we
9 implemented that modification.

10 Then, every outage provides some emergent
11 challenges. Our first significant emergent issue was
12 isolating the cooling tower, which occurred at very cold
13 temperatures and high winds at the time we shut down.
14 And, in the picture on the left, you can see the icing
15 conditions which were created as we shut the unit down.

16 MR. REYNOLDS: Just for
17 perspective, for the record, how long do you think these
18 icicles are?

19 MR. ALLEN: How long do I
20 think these icicles are? 30 feet, 20 to 30 feet.

21 MR. REYNOLDS: Okay, thanks.

22 MR. ALLEN: I did, as we got
23 them off, I'll tell this story. As they came down, one
24 of the operators said, "Boy, when they fall, they fall
25 with authority." They're a pretty significant mass of

1 ice there along the edges of the cooling tower.

2 In the picture to the right, you can see the
3 fill sheets, looking up at the fill. That's fully
4 restored to support restart of the unit, and that's a
5 combination of shoring up the old fill sheets and then
6 installing where appropriate newer style, new design
7 fill sheets.

8 MR. BEZILLA: Steve, just one
9 other comment on that is, we did all the repairs outside
10 the cooling tower, from a personal safety standpoint, we
11 didn't want anybody getting hurt. And the guys were
12 successful in the fact that I believe the cooling tower
13 is performing better now than prior to the shutdown.
14 And we've seen good performance from the cooling tower.

15 MR. REYNOLDS: I also think
16 your local fire department got some unplanned training,
17 I think?

18 MR. BEZILLA: Well, we used
19 our fire brigade guys, and we used warm water to help
20 melt the ice. Nature wasn't very good to us during that
21 two to three week period, but.

22 MR. ALLEN: Yeah. As a
23 result of the icing, we did do some benchmarking during
24 the outage. Operations had revised procedures, based on
25 what we saw from other plants located in cold regions

1 who had experienced this problem before that we had
2 never experienced this issue at Davis-Besse. So, we did
3 revise our procedures, and then based on experience with
4 additional enhancement, we incorporated in our
5 procedures to help us try to avoid this situation in the
6 future.

7 MR. REYNOLDS: This is probably
8 a comment to make, a point. Using operating experience,
9 especially when it's any sort of first time evolution.
10 Not shutting down to first time evolution, but shutting
11 down in those conditions. That's where people really
12 need to be aware we're doing something slightly
13 different, slightly out of the ordinary, and go look on
14 the consequences and operating experience. And, then,
15 common operating experience, not only look externally,
16 but look internally. Especially in plants that have
17 been operating as long as Davis-Besse has, if you need
18 operating experience, that you have to go find it.

19 So, I guess the big plug for operating
20 experiences. It keeps you out of a lot of trouble. A
21 lot of people conquered problems in the past. There is
22 no need for any of us to reinvent the world if we don't
23 have to.

24 MR. ALLEN: Understand.
25 Thank you.

1 Our second significant emergent challenge was
2 intermittent leakage on our number two decay heat pump
3 inboard mechanical seal. And although the seal was
4 operable, we elected to extend the outage and replace
5 the mechanical seal in mode 3.

6 When this issue emerged, we planned the seal
7 replacement as a project. So, we selected Steve Fox to
8 be the project manager for this evolution. We utilized
9 industry operating experience by bringing in an
10 experienced decay heat pump seal mechanic from Arkansas
11 Nuclear One to help us prepare.

12 Based on that, we revised our maintenance
13 procedures, and we then trained our mechanics to replace
14 the mechanical seal. Once we reached Mode 3, we
15 implemented our plan and mechanical seal performed
16 flawlessly after replacement. So, we're very pleased
17 with that.

18 MR. REYNOLDS: This is an area
19 where early on we weren't sure if you were going to
20 replace it or not. We talked quite a bit about that.
21 We were a little concerned that you weren't going to,
22 but we're glad to see you did take the extra time and
23 effort to replace it. So, you came out of the outage
24 with this working properly.

25 MR. ALLEN: Steve, we wanted

1 to ensure we did it correctly the first time.
2 Personally, had some bad operating experience on these
3 seals at ANO; called there; and they felt like they
4 had it figured out how to ensure they could do these
5 seals properly. Therefore, I asked if they would send
6 one of their experts up to help us learn from their
7 operating experience. They were gracious enough to send
8 us a pretty knowledgeable person to make this a success.
9 So, we owe the industry some gratitude on this one.

10 MR. REYNOLDS: Good, thank you.

11 MR. BEZILLA: Steve, we also,
12 when we assessed that, right, there were various places
13 we could do this seal replacement. And in Mode 3,
14 right, if you think about it, we've been shut down for
15 about three weeks, so decay heat was pretty low; yet all
16 of our cooling systems or water addition systems were
17 available to us. So, even though it was intentional
18 entry into a tech spec limiting condition for Operations
19 to do the work; from an overall plant safety standpoint,
20 we felt that was the best place to do the work and we
21 were confident, based on preparations that Barry talked
22 about, that we would be able to do that and the guys did
23 a very good job. So, I would like to mention that too.

24 MR. REYNOLDS: Right, thanks.

25 MR. ALLEN: So, in

1 conclusion, our Steam Generator Inspection Outage was
2 well planned, was well coordinated, was safely executed,
3 and our plant equipment and systems support continued
4 safe operation.

5 MR. REYNOLDS: I had the
6 opportunity to go out to the buildings where you were
7 doing the eddy current testing and talk to several of
8 the folks out there. I have been to other plants doing
9 this same sort of evolutions; and the people there knew
10 what they were doing. I forget their title, but the
11 ones actually running the approach in and out, they were
12 very knowledgeable, not only their job, but what's going
13 on in the big picture. And the folks you had overseeing
14 it were definitely on top of it. I thought that was
15 well executed.

16 I know Mel Homberg, our expert, was out there
17 through a lot of it, and got a lot of good information
18 and cooperation. You expanded the scope that you're
19 supposed to, I think that went as planned pretty well.

20 So, I thought that was great, that current testing
21 on this generator.

22 MR. ALLEN: Thank you.

23 MR. HOPKINS: I have a
24 question, Barry. How did you do, you talked about
25 control room deficiencies you fixed and et cetera. How

1 did you do overall with your number of planned
2 maintenance items? Did you do 90 percent of your goal
3 or 110 percent of your goal, do you know?

4 MR. ALLEN: We did, Jon, I
5 guess I'd have to get an exact number, but we
6 essentially worked everything that was on our plate. I
7 think we had a few jobs where maybe we couldn't get
8 isolated or something. So, there was a job here or
9 there that we may not have completed, but essentially
10 worked everything on our plate.

11 And then, we were fairly judicious, if you
12 will, we did add additional work in, doing the emergent
13 scope. And we looked, at the same time, online
14 activities and surveillances and those kinds of things
15 in the fold of the outage appeared to be in good shape
16 once we got the unit on line.

17 So, we essentially worked everything on our
18 plate. It was primarily, again, a project-type outage
19 and kind of listed most of the projects. The shops,
20 traditional shops, if you will, had a more limited scope
21 and they were pretty successful in working on those
22 things on their plate.

23 So, our challenge was, how much work to add in
24 the outage. Our challenge never was, what work to cut
25 out of the outage. We essentially worked everything

1 that we planned to work during the Mid-Cycle Outage.

2 MR. HOPKINS: Okay, thank you.

3 MR. ALLEN: Next slide,
4 please. Now I'll turn the presentation over to Steve
5 Loehlein.

6 MR. LOEHLEIN: Thanks, Barry.

7 Today I would like to report on the results of
8 the Confirmatory Order, Independent Assessment of
9 Engineering that was recently completed.

10 Next slide.

11 As way of introduction, you'll see that the
12 Engineering Program Effectiveness was the third
13 assessment that was conducted last year. The other two
14 above it, Operations Performance and the Corrective
15 Action Program Implementation were discussed at prior
16 public meetings. That fourth one on the Organizational
17 Safety Culture, Mark will discuss a little bit later
18 today.

19 There on the lower part of the slide, you can
20 see the tentative schedule for similar assessments that
21 will be done in 2005.

22 MR. HOPKINS: Are they going
23 to be the same people, do you know, or relatively close?

24 MR. BEZILLA: I'll answer
25 this, but I'll make sure I'm checking here. I think at

1 least the Operational one is targeted to be the same and
2 the other ones are still under process of lining up.
3 So, I think the Operation -- we're going to try to keep
4 the same or at least some portions of those folks, so we
5 can get some continuation, if you will, in our
6 assessment.

7 MR. HOPKINS: Okay, thanks.

8 MR. REYNOLDS: Is there
9 anything special or significant about the dates?

10 MR. BEZILLA: Just we've got
11 to try to spread them out. What that really means is
12 the first plan is due to you in March, okay, is what
13 that really means.

14 MR. REYNOLDS: Right. Okay.

15 MR. LOEHLEIN: I think too,
16 Steve, once we had the sequence set in 2004, we're going
17 to get a meaningful ability to measure a delta and
18 pretty much we're going to within a year later do the
19 next one. We're pretty close to doing that in each of
20 these.

21 MR. REYNOLDS: Okay.

22 MR. LOEHLEIN: So, the actual
23 Independent Assessment was conducted in October with the
24 exit in early December. You can see the scope included
25 six key areas, which are mostly self-explanatory, but I

1 might mention on the management topics one, since that
2 one may be a little harder to interpret; that included
3 things like interfaces that Engineering has with other
4 organizations, problem-solving decision-making process,
5 and our handle on the changed management.

6 Next slide, please.

7 MR. REYNOLDS: Steve,
8 Davis-Besse has an operating decision-making process; is
9 that correct?

10 MR. LOEHLEIN: We actually have
11 a Nuclear Operating Procedure that applies to all three
12 stations on problem-solving decision-making.

13 MR. REYNOLDS: Problem-solving
14 decision-making; that's what you call it, okay, but
15 that's -- okay.

16 MR. LOEHLEIN: That's a
17 fleet-wide procedure.

18 MR. REYNOLDS: Operations,
19 Engineering, Maintenance; you get everybody together; is
20 what that problem solving is?

21 MR. LOEHLEIN: You apply that
22 process, that's an upper level process, assumes a team
23 of individuals to solve a particularly tricky problem,
24 usually, or one that's more involved and requires
25 several organizations to help solve.

1 MR. REYNOLDS: System engineer
2 or reactor operator initiate that process or uses that
3 process?

4 MR. LOEHLEIN: Well, I would
5 say anybody in our organization can suggest it be
6 initiated, because we have that kind of open forum, but
7 typically, like in the outage, we have an emergent
8 issues, a position in the outage control center called
9 Emergent Issues Manager.

10 Something comes up that looks a little
11 complicated, usually either sometime during the shift or
12 turnover, it will be determined that somebody will
13 recommend maybe this ought to go to problem-solving
14 decision-making.

15 At that point, it could be a management
16 sponsor identified, and we'll select a lead. And
17 Emergent Issues Manager would see we assemble a team,
18 get them in the room, make sure they have the facilities
19 they have, and start through the process beginning with
20 a problem statement and so forth and follow the process.

21 MR. OSTROWSKI: During plant
22 operations, shift managers have typically been
23 requesting problem-solving teams to attack certain
24 operational challenges, so that's where it has been
25 originating. As Steve said, during the Mid-Cycle

1 Outage, the Emergent Issues Manager has typically taken
2 the lead on that.

3 MR. REYNOLDS: Okay.

4 MR. LOEHLEIN: So, it's sort of
5 complex.

6 MS. LIPA: So, shift
7 manager could initiate it?

8 MR. OSTROWSKI: Absolutely.
9 They're responsible to trigger most of them while we
10 operate.

11 MS. LIPA: That's what I
12 was wondering, is there some guidance so they know that
13 it's their duty to trigger this process or how do they
14 know; how are they trained to do it consistently the
15 same?

16 MR. OSTROWSKI: We have
17 communicated to them that is a resource available to
18 them to address operational challenges. So, when we do
19 have a problem that has been persistent, then the shift
20 managers have used that resource to help solve those
21 problems, and that has occurred in 24/7 depending on the
22 nature of the problem.

23 MR. BEZILLA: Christine, there
24 is an Operations Admin Procedure at Davis-Besse, and if
25 there is something emerges, they'll call out the duty

1 team and there is a checklist they walk through. And
2 part of that checklist asks, has the problem-solving and
3 decision-making, should it be implemented or has it been
4 implemented. So, there is a tickle for the shift
5 manager when they make notification to the duty team
6 also.

7 MS. LIPA: Okay. Thank
8 you.

9 MR. LOEHLEIN: Next slide. We
10 went too far.

11 First of all, when the team came in, the two most
12 important things I was interested in is, did the team
13 find anything fundamentally wrong with engineering
14 programs was obviously a key interest for me; and,
15 secondly, did the team find any particular weakness that
16 we ourselves should have been able to find.

17 Overall, they concluded that the engineering
18 program was generally effective. And also in addition
19 to that, the items that they identified in almost all
20 cases were ones we had already found from either other
21 assessments or our own assessment and had been working
22 on. So we got confirmation that we were working on the
23 right areas for improvement and we were actually able to
24 see that we'd been making progress in a number of those
25 areas.

1 Teams findings that consisted in a list of four
2 different categories of items, going from strengths to
3 areas for improvement and noteworthy items.

4 MR. REYNOLDS: Steve, what the
5 team identified both strengths and areas for
6 improvement, none of this was a surprise to you?

7 MR. LOEHLEIN: I would say none
8 of it was surprise to me, although we did get a couple
9 insights we hadn't heard about before. I'll talk about
10 those that we felt were additional benefit to us.

11 MR. REYNOLDS: Okay, thanks.

12 MR. LOEHLEIN: So, this slide
13 and the next one covers the areas for improvement and
14 the noteworthy items that are also improvement areas for
15 us. What I thought I would do is discuss each of the
16 areas for improvement and then mention a few of the
17 noteworthy items I thought you might be interested in.

18 The first area for improvement listed is
19 closure of some modifications. This had two aspects of
20 it. Again, this was an area that we mostly knew about.
21 They pointed out to us that we had a set of
22 modifications that had been installed in the plant. A
23 closeout, document closeout of the modifications was
24 slower than our expectations in our program. They
25 pointed that out to us, and we followed up on that

1 because some of these are fairly older modifications and
2 we're confirming we have the right closeout
3 documentation completed for those. So, we're taking
4 action on those.

5 The other part of that was the review of
6 engineering change requests. At the very start of an
7 idea to fix a problem, first initiate engineering change
8 request, so we can accumulate quite a number of these if
9 the threshold for those requests is quite low, which is
10 what we had.

11 So, we had a backlog of these that we've been going
12 through and as part of the Operational Improvement Plan
13 for Cycle 14; we'll be reviewing all these. These are
14 not open modifications, so we know we need to do that.
15 We're working through those as part of the Operational
16 Improvement Plan, and that's just the way we'll resolve
17 them ultimately.

18 We have checked those and reviewed them several
19 times, because we're concerned about any that aren't
20 getting attention that are required actions out of the
21 condition report that requires priority actions, so
22 forth. We satisfied all those concerns. So, these are
23 all lower level. So, a lot of these are even just
24 documentation type of engineering change requests.

25 Second bullet there, management focus on and rate

1 of progress of Calculation Improvement Program. That
2 included really two aspects. The main way that the
3 Calculation Improvement Program reports its progress to
4 management was through a report called the Design Basis
5 Assessment Report, which has a lot of things in it, but
6 in addition to that would provide insights on the
7 Calculation Improvement Program.

8 And here the team pointed out to us that there
9 wasn't a lot of meat in that report for people like
10 myself to use to monitor progress. So, they made some
11 good recommendations on how to improve that level of
12 detail and what kind of summary information we're
13 getting in that report, so I could better manage that.
14 Although, progress is good on the whole Calc Improvement
15 Program; they didn't have an issue with that.

16 The other part of it is the original plan that we
17 put for doing the Calc Improvement Program was out of
18 date and we had not updated it recently and they were
19 prepped on that and we have since worked on that to
20 bring that up-to-date and make sure all our, all of our
21 completions will be as we projected.

22 MS. LIPA: Steve, on the
23 progress, you say your progress has been good.

24 MR. LOEHLEIN: Right.

25 MS. LIPA: Was any of the

1 plan out of date indicating things that were behind
2 target?

3 MR. LOEHLEIN: There is two
4 pieces to that, because there is a yes and no to that.
5 Some of the things that were behind were some of what I
6 would call routine follow-up things we want to do on
7 lower level calculations, some historical calculations
8 and some of that type of stuff was behind the original
9 projected dates.

10 What we were ahead on were the things that
11 were intended to actually improve our calculational
12 quality, which we have been progressing well ahead of
13 what we originally thought we would be able to do. And
14 the scores out of the Engineering Assessment Board
15 indicate that our calculation quality is really quite
16 good now.

17 So, we have both. And we've gone through and
18 evaluated where we are in the plan and revising it and
19 keeping it current. This is one of the things now that
20 I'll be reviewing on a month -- I'm thinking right now
21 monthly basis with my managers to make sure we step on
22 to the rest of that plan for the rest of the Cycle 14.

23 MS. LIPA: Okay, just to
24 make sure I'm clear, is success for this program to have
25 improved quality of the calculations, as well as to get

1 caught up on the backlog? Is it a backlog; was that the
2 right term?

3 MR. LOEHLEIN: Well, yeah, I
4 guess the backlog -- it's not really a backlog, because
5 they were historical calculations, they're existing
6 calculations, think of them that way. We had a process
7 as part of this to look at existing calculations for
8 their quality, and what I think we call tier ones were
9 the ones we wanted to prioritize. The rest of the
10 calculations we have a different process for figuring
11 out whether they need to be revised or not. And that
12 would be part of the rest of what we do as part of the
13 Cycle 14 Plan.

14 MS. LIPA: Okay, thank you.

15 MR. LOEHLEIN: Now, the third
16 area for improvement was insights they gave us on a
17 self-assessment schedule and consistency in performance.
18 This talked about, in 2004 the team pointed out that we
19 had scheduled 34 self-assessments just in engineering.
20 We had succeeded in doing about half of them. And of
21 those, that half, about 70 percent of them they said
22 were of average quality or better.

23 We took a look at that, the message we were
24 really receiving was we were overcommitting in terms of
25 the number of self-assessments we were trying to do in

1 one year's time within engineering. It was causing
2 dilution of resources. It was causing a lot of
3 difficulties in change management. It was causing a lot
4 of difficulties in terms of management oversight. So,
5 we took a hard look at that.

6 They also told us we needed to have more
7 focused management over that whole process. So, fleet
8 has gotten involved and what we've really constructed
9 for 2005 is we constructed a set of self-assessments
10 that will be fleet wide for 2005 and then we have some
11 ongoing self-assessments we'll be dealing with in
12 engineering called Alone. So, I think in engineering we
13 have somewhere around a dozen planned for 2005 as
14 opposed to trying to do several dozen. This way we'll
15 be able to maintain proper management focus on the
16 assessments we're doing.

17 MR. HOPKINS: Did you to get
18 that number of self-assessments, did you benchmark under
19 industry, other plants in the industry to come up with
20 the right number?

21 MR. LOEHLEIN: I think what my
22 managers did is benchmark the other FENOC plants, talk
23 about where our areas, what have we not looked at and
24 think we want to take a look at. And we did it that
25 way. Offhand, I don't think we did a lot in this case.

1 We weren't looking this year to do a lot of benchmarking
2 of that, because we needed topical areas that we wanted
3 to go after. But we just asked in terms of quantity;
4 whether it's a typical number.

5 We did benchmark when we first constructed
6 what we wanted to do in terms of self-assessment. There
7 was benchmarking work done in the development of it, but
8 I can't say that I know how much benchmarking my folks
9 may have done in determining scope.

10 A list that has been provided to me is a list
11 of program stuff and things like that, that we like to
12 look at periodically; much like QA work to assure
13 ourselves that we're staying up with the latest OE in
14 our program elements and that sort of thing.

15 So, that's -- I could pick one of the programs
16 in there, our LA600 program, that sort of thing where we
17 want to confirm that we're, that that program is staying
18 healthy.

19 MR. RUTKOWSKI: Just really a
20 question. I've seen you do some self-assessments of
21 departments and I guess I'm missing the magnitude of
22 these self-assessments. Are these just one item that
23 you take a look at or is it bigger than that? I'm
24 trying to get a feeling of these self-assessments.

25 MR. LOEHLEIN: The focus

1 self-assessments done at the fleet level will have a
2 very formal plan. We'll have industry involvement.
3 We'll have quite a extensive developed plan and a
4 variety of individuals involved; all the fleet and
5 external folks as well.

6 The ongoing assessments tend to be more of
7 those where we use our own resources; perhaps our sister
8 plants will be as part of the team, because it's a
9 process that we all use. And they may follow the same
10 framework that the focus assessments do, but they won't
11 necessarily include industry involvement, depending on
12 what they decide to take on the way of scope. So they
13 vary.

14 Some of the ones we've selected have been at
15 the program level like LA 600, which primarily involve
16 Beaver Valley and Davis-Besse. And there are others and
17 I have a list here with me somewhere I can dig out, but
18 this is the focus.

19 MR. RUTKOWSKI: So, you're
20 talking somewhere like about person week's worth of
21 effort for assessment, maybe more?

22 MR. LOEHLEIN: I'm sorry?

23 MR. RUTKOWSKI: So, you're
24 talking something like a person's work week of effort
25 for self-assessment?

1 MR. LOEHLEIN: I don't think we
2 tried to estimate the resource hours on any.

3 MR. RUTKOWSKI: I was trying to
4 get a feel how big.

5 MR. LOEHLEIN: A person week, I
6 think is probably on the low side, once what we got
7 planned, I think are going to take longer than that.

8 MR. RUTKOWSKI: That's the 34 of
9 the 17 that you did, right?

10 MR. BEZILLA: Just let me,
11 I'll help a little bit from the fleet perspective. When
12 we got together and looked from a fleet perspective, we
13 said, "Okay, what else is on our plate, right?"

14 As you all know, we have a number of
15 Confirmatory Order Assessments. We've got the Institute
16 of Nuclear Power Operations providing assistance. And
17 then from a fleet perspective we said, "What are the
18 areas most important to us?"

19 So, we picked those out. And then we said,
20 "Okay, from a site perspective, how many of these focus
21 self-assessments can we do?" And about one a month is
22 about all we thought we could handle.

23 So, as Steve said, we got about a half a dozen
24 from the fleet perspective. We have about a half dozen
25 from the site perspective. Now, each manager may have

1 ongoing assessments that they're doing and those can
2 number a half dozen, dozen whatever. Okay. But these
3 focus assessments can take a handful of people two three
4 weeks to do those, right. And we try to balance that
5 with the other activities we have on our plate.

6 And then we keep the oversight guys informed
7 as to what we're doing, so they can look at other things
8 or look at the same thing and then compare how the line
9 guys do from an assessment standpoint versus the
10 oversight guys; and are we able, line guys able to find
11 the same types of things that the oversight guys are.

12 So, we try to balance all that and come up
13 with here's our plan for 2005.

14 MR. RUTKOWSKI: Thank you.

15 MR. LOEHLEIN: So, the
16 departmental areas in engineering, I think 4, 4 and 6
17 are the actual numbers we have on the schedule for 2005.

18 MR. REYNOLDS: Count on
19 benchmarking. Benchmarking can and should be a very
20 useful tool to gain lessons learned and to compare
21 yourself with the industry. I'll caution you on certain
22 plants and certain programs not worth the effort to go
23 benchmark.

24 MR. BEZILLA: Yes.

25 MR. LOEHLEIN: I'll take that

1 advice.

2 Okay, moving on then to some of the noteworthy
3 items. First one listed there is selection and
4 prioritization of modification. That's related to a
5 term we call the fleet value rating or FVR's. It's a
6 tool we went out and benchmarked the industry on to
7 develop, or to kind of copy some of the best industry
8 practices and try to evaluate the relative value of
9 proposed modifications to the station.

10 When the team came in and looked at it, their
11 assessment was it does a very good job of evaluating the
12 value of proposed modification for nuclear safety or
13 equipment reliability, but their advice to us was it may
14 underscore somewhat industrial safety and radiological
15 safety of items. So, we are taking a look at that at
16 the fleet level because it effects all the sites.

17 The next one I wanted to talk about is the
18 focus of margin management initiative. There they told
19 us we look good as far as being aligned with what we're
20 trying to achieve in terms of margin improvement, but
21 they thought we could do a better job of defining that
22 in some of our programs and maintaining a certain
23 margin. So, we're going to take a look at that as an
24 advice piece.

25 MR. REYNOLDS: Steve, maybe you

1 don't know, but maybe you do. How does this relate to
2 what Beaver Valley does in their latent issues review?
3 I know when I was at Beaver Valley, I talked to Bill
4 Pearce and his staff. From what I could tell, a very
5 comprehensive latent issues program, very thorough. And
6 I would say latent issues is going after margin
7 management, maybe the way to say it. I don't know if
8 you do the same sort of thing. And then how, could you
9 do the same thing as Beaver Valley?

10 MR. LOEHLEIN: Well, latent
11 issues review is something we have done here and I think
12 we're planning on doing one per year as well. So,
13 that's not a new concept for us. It's an in-depth
14 thing. It's not really all that different in some ways
15 than what the NRC does when they come in and do a safety
16 system inspection. It's kind of that concept only we
17 look for latent issues.

18 This is more what I would call generic in --
19 let me see from my notes here what some of the things
20 they talked about. It's about recognizing within your
21 calculations what actually is margin, and maintaining
22 that number in there so that it's clear when you're
23 making changes how much you might be effecting margin.
24 That's the type of things that they were driving at with
25 this, with this recommendation; and not the concept of

1 trying to obtain margin improvement. So that's where
2 they thought we could do a better job tracking it.

3 We had things like that that we would be able
4 to measure, for example, relative value of increasing
5 margin in this area as opposed to another one, that sort
6 of thing.

7 MR. REYNOLDS: Maybe if I have
8 time, we could talk more about it. You made me curious.

9 MR. LOEHLEIN: Sure.

10 System value rating is one that I found
11 especially interesting, because I think we have a pretty
12 common or you could call it traditional and common way
13 of looking at our system health. Same kind of
14 parameters used by a lot of our peers.

15 But the team came in and said that they have
16 knowledge of a couple of plants that are starting to
17 revise the way they manage their system health, in which
18 they can, they think, project the direction a system is
19 actually heading for the future in terms of system
20 health and make it more, and provide more a leading
21 indicator. So, we are interested in looking into that,
22 because it certainly would be an excellent tool to
23 adopt.

24 Now, this was a part here, when I talk about
25 this, I was going to mention it. Scott Thomas last time

1 we were here had asked about equipment trending and how
2 it relates to system health. So, I thought I might
3 mention that here since we were talking about system
4 health.

5 We actually have, we had talked about trending
6 in this forum a lot of times before as it related to
7 Condition Reports in the Corrective Action Program,
8 trending, and that sort. Equipment trending is done in
9 a lot of different ways that don't rely on, strictly on
10 assorted Condition Report data.

11 As an example, we have a predicted maintenance
12 program. And the key things in there are things like
13 oil analyses, taking periodic samples of oil, major
14 components, and looking for trends and what's contained
15 in them. Vibration, periodic vibration checks of large
16 rotating compnents. We use thermography to check on
17 temperature of things.

18 We had a recent situation with the control rod
19 drive disconnect switch, which an engineer was down
20 there performing thermography, which he does from time
21 to time, and noticed two phases, on two phases the
22 temperatures were different from what he had seen last
23 time which led us to find this problem on the disconnect
24 switch.

25 Another form of trending is in the maintenance

1 rework area. That's where we can, we monitor for places
2 we have to go in and do maintenance over again when we
3 don't think we should have needed to yet. That's a form
4 of figuring out whether we have issues in training or in
5 procedure on some maintenance we might do.

6 We have the maintenance school trending we do
7 in there in terms of maintenance rule functional
8 failures. We have programmatic type trending; boric
9 acid corrosion control and Reactor Coolant System
10 leakage that we do. All these kinds of programs feed
11 the system engineering, and that's the information that
12 he can use as part of his overall trending of equipment
13 in system health.

14 I talked to Scott about that the other day and
15 told him I would share this kind of summary with him
16 here at this meeting, but unfortunately I guess he's ill
17 and couldn't make it today. I'll be sure and follow-up
18 with him at the station.

19 MR. REYNOLDS: That would be
20 good, thank you.

21 MR. LOEHLEIN: The last one I
22 had scheduled or was planning on discussing was the one
23 on backlog reduction. To made some comments on our
24 backlog reduction. We've been following the curves. In
25 engineering, we've been working our backlog off at a

1 quicker rate than the original ramp predicted. And
2 that's a good thing.

3 They recommended we get more integrated with
4 other systems on site to make sure we get things done in
5 an efficient manner. And they thought in some ways that
6 we were too reliant on the Corrective Action Program to
7 help us manage this. We're taking a hard look at that,
8 but our feelings are that the Corrective Action Program,
9 the benefit of that is, because it categorizes the value
10 of these things. We know when they're safety loaded.
11 We know whether actions prevent recurrence and so forth.

12 They really help us ensure that we're getting
13 tuned to the right items on the right priority basis.
14 So, it's been working for us; backlog is coming down;
15 and we are working with, integrated with site
16 organization, but we're probably going to maintain our
17 relationship with the Corrective Action Program as far
18 as working down that backlog.

19 Any questions?

20 Next slide, please.

21 There were several areas that I was
22 particularly proud of the team on. First one they
23 mentioned two of our sections in particular; rapid
24 Response Team, their support of this station of emergent
25 issues was given a strength by the team; and the System

1 Engineering Group was also identified on the positive
2 noteworthy items as an organization that provides an
3 exemplary service to the station. So, that was good to
4 be proud of.

5 The second bullet there on the strengths of
6 Internalization of Engineering Principles and
7 Expectations. Christine and Jack and Jon, I think all
8 three of you were probably around several years ago
9 where the whole concern over engineering rigor and all
10 that was something that Jim Powers was working so hard
11 on; and created, you know, the expectations book.

12 The team told us that universally the people
13 they talked to were aware of these expectations; that
14 they could discuss the contents of them; could discuss
15 how frequently they were being communicated with them.
16 And when I coupled that with the scores that we were
17 getting out of the Engineering Assessment Board on the
18 quality of the products produced, that our folks were
19 producing, it really looks like we have gotten the
20 result from that that we were after; and that was to
21 change the standards of our staff and resulting in high
22 quality work. So, I'm real proud of that.

23 MS. LIPA: Steve, is the
24 EAB continuing to review the same types and numbers of
25 documents or have you backed off in response to the

1 positive results?

2 MR. LOEHLEIN: We have not yet
3 backed off. They are still looking at the, basically
4 the same volume of work and products that they had been,
5 but the scores have been quite good in the last several
6 periods.

7 MS. LIPA: Okay.

8 MR. LOEHLEIN: So, next slide,
9 please.

10 So, in closing, the team concludes that the
11 engineering programs were found to be generally
12 effective at Davis-Besse. Based on what they told me
13 and what I know about the history of our performance,
14 it's clear to me that measurable improvement over past
15 performance is evident, but as always our goal remains
16 to be continuously improving.

17 MS. LIPA: Steve, these are
18 the results of the Independent Assessment.

19 MR. LOEHLEIN: Right.

20 MS. LIPA: And I know
21 you've done a corporate integrated assessment of all
22 three facilities.

23 MR. LOEHLEIN: Well, I think
24 they're actually at Beaver Valley.

25 MS. LIPA: Did they do

1 Davis-Besse already?

2 MR. LOEHLEIN: They were here
3 last week, correct.

4 MS. LIPA: I was wondering
5 if that, you're getting any additional insights from the
6 corporate assessment, integrated assessment, as compared
7 to what you already knew about?

8 MR. LOEHLEIN: I would say,
9 Christine, yes, we are getting some additional insights.
10 They have given us a little bit more in particular in
11 the area about how we need and can improve communication
12 between fleet and the sites and we're common that way.
13 Some more insights about how to manage the change of
14 building a fleet organization at the sites and fleet
15 processes that the sites then implement. But what we
16 got last week was fairly preliminary because they were
17 still headed to Beaver yet for their work there.

18 MS. LIPA: Okay. Thank
19 you.

20 Any other comments or questions?

21 We're going to look at this as a good
22 opportunity to take a break. But before we do that, I
23 neglected to introduce a couple of the county local
24 government representatives when they came in today.

25 Do you want to stand up and introduce

1 yourself, Jere and John?

2 MR. PAPCUN: John Papcun,
3 Ottawa County Commissioner. Sorry I'm late. I had a
4 meeting in Toledo.

5 MR. WITT: Jere Witt,
6 County Administrator.

7 MS. LIPA: Okay, thank you
8 for coming. I wanted to introduce you folks.

9 And with that, we'll take a ten minute break.

10 (Off the record.)

11 MS. LIPA: Okay. Go ahead.

12 MR. BEZILLA: Okay, thank you,
13 Christine.

14 This afternoon, I would like to discuss our
15 recent Confirmatory Order Independent Assessment of
16 Safety Culture, Safety Conscious Work Environment. I
17 will address the when, by whom, the overall conclusions,
18 the areas for improvement, the cross-cutting issues and
19 our action plan to address the areas for improvement and
20 cross-cutting issues.

21 I will assure you that I and my staff take the
22 challenge of sustaining and improving of Safety Culture
23 and Safety Conscious Work Environment atmosphere
24 seriously, and we have this challenge constantly in our
25 thoughts.

1 Next slide.

2 The Safety Culture, Safety Conscious Work
3 Environment Independent Assessment data gathering
4 interviews were conducted from November the 2nd through
5 November the 18th. The information was analyzed and the
6 results initially presented to the Davis-Besse staff on
7 December 21st.

8 The Confirmatory Order Independent Assessment
9 of Safety Culture and Safety Conscious Work Environment
10 Team consisted of Doctor Sonja Haber, Doctor Deborah
11 Shurberg, Rear Admiral Retired Whitney Hansen and Aldo
12 Capristo. Overall, the Confirmatory Order Independent
13 Assessment Team found that the Davis-Besse Safety
14 Culture and Safety Conscious Work Environment had not
15 significantly changed since the last Independent
16 Assessment conducted in February of 2003.

17 Next slide.

18 The team also noted that Safety Culture
19 behavior and attitudes are not something that are
20 changed in the short term, and initiatives by management
21 must be continually assessed to ensure long term
22 changes.

23 In order to ensure a long term
24 self-sustainable Safety Culture maintained at
25 Davis-Besse, the team recommended that an action plan be

1 developed addressing the areas for improvement.

2 Next slide, please.

3 The following conclusions were identified as
4 areas for improvement. And this is the team's, this is
5 the team's words. Although safety is a recognized value
6 in the organization, it is inconsistently internalized
7 across all levels of personnel. Challenges still exist
8 in the transmission, comprehension, and implementation
9 of the safety message.

10 Accountability and ownership for safety are
11 not yet universally accepted at all levels within the
12 organization. Recent events and a widespread perception
13 of inconsistent application of accountability standards
14 have created reluctance on the part of some individuals
15 to willingly accept responsibility for safety.

16 Safety is not consistently integrated into all
17 activities of the organization. Attitudes reflecting
18 differences and beliefs about safety impede the
19 internalization of the behaviors necessary for long term
20 and continuous safety performance.

21 An integrated and cohesive organizational
22 safety leadership process is not clearly evident. The
23 values and attitudes of the work force have generally
24 remained consistent since the last evaluation conducted
25 in February of 2003.

1 Differences between work groups and between
2 management and staff indicate that personnel are not yet
3 fully aligned with a common set of values. Management
4 safety goals have not been effectively communicated,
5 modeled, or understood by all station personnel.

6 A learning driven organization is still not
7 fully developed. Efforts to improve future performance
8 by learning from the station's past performance, from
9 industry performance, and from the day-to-day
10 implementation of the organization programs and
11 processes are not effectively implemented nor recognized
12 to be of high value at all levels of the organization.

13 And, the process for establishing a strong,
14 effective, and sustainable Safety Conscious Work
15 Environment continues to need management attention.
16 Many employees still do not perceive that the attributes
17 of such a program currently exist at Davis-Besse.

18 Next slide, please.

19 Additionally, a Confirmatory Order Independent
20 Assessment Team identified four cross-cutting issues
21 that should also be considered in the development of the
22 action plans. These were; FENOC and Davis-Besse Senior
23 Management need to develop a long-term teaching vision
24 and plan for Safety Culture and Safety Conscious Work
25 Environment atmosphere.

1 Emphasis should be placed on an integrated
2 Corrective Action Plan in developing a more predictive
3 and leading performance measures that are related to
4 behaviors and attitude. An engineering culture approach
5 to nonengineering problems will not provide the
6 necessary solutions. I think that was directed at like
7 most of us. Okay?

8 Focus on trust needs management attention at
9 all levels in the FENOC and Davis-Besse organizations.
10 The development of skills for resolving nontechnical
11 issues that will demonstrate respect and recognition to
12 individuals needs to be accomplished.

13 The use of the talents, knowledge, and overall
14 competency of all employees will improve the commitment
15 and resolve to improve the behaviors necessary for
16 promoting Safety Culture.

17 Challenges in communication in the Davis-Besse
18 organization with respect to clear and consistent
19 expectations, standards, and values continue to require
20 management attention. The values and attitudes of the
21 work force have generally not changed since the last
22 evaluation conducted in February of 2003, or have
23 slightly declined. Differences between work groups
24 indicate that personnel are not yet aligned with a
25 common set of values.

1 A management focus should be placed on safety
2 being internalized by all employees as a way of doing
3 business. The modeling of the right behaviors by
4 management, supervision, and staff are a critical part
5 of the development and maintenance of a positive safety
6 Culture and Safety Conscious Work Environment.

7 I've now covered the when, the by whom, the
8 team's overall conclusions, the areas for improvement,
9 and the cross-cutting issues. Now let me discuss our
10 actions and our action plan.

11 Next slide, please.

12 The Confirmatory Order Independent Assessment
13 provided an independent and comprehensive review of the
14 organizational Safety Culture including Safety Conscious
15 Work Environment at Davis-Besse. The assessment report
16 identified six areas for improvement. These areas for
17 improvements have been entered into our Corrective
18 Action Program.

19 In addition to the areas for improvement, the
20 assessment team identified four cross-cutting issues
21 that have also been factored into the action plan as
22 recommended.

23 And, finally, the assessment team provided an
24 assessment of current Safety Culture monitoring
25 assessment tools with observations and recommendations

1 which will also be evaluated through our Corrective
2 Action Program.

3 Now, before I discuss the actions and action
4 plan in detail, I thought a little background
5 information would be beneficial. So, prior to plant
6 restart, from the extended plant outage, we, at
7 Davis-Besse, developed a comprehensive Cycle 14
8 Operational Improvement Plan to demonstrate our
9 commitment to continue driving actions for continuous
10 improvement and to anchor sustained performance in
11 nuclear safety and plant operations.

12 One of the ten initiative areas in this plan
13 is continuous Safety Culture improvement. Key actions
14 of this initiative are methods of periodic monitoring of
15 our Safety Culture and Safety Conscious Work Environment
16 atmosphere.

17 In accordance with the Cycle 14 Operational
18 Improvement Plan, the Davis-Besse team conducted Safety
19 Culture and Safety Conscious Work Environment interviews
20 and a Safety Conscious Work Environment Survey in
21 October, early October of 2004. The results of these
22 interviews and survey were then factored into the annual
23 Safety Culture assessment which was conducted later in
24 October of 2004.

25 This annual Safety Culture Assessment

1 concluded that Davis-Besse has sustained the safety
2 focused environment; however, there were several
3 questions in the interviews and survey that had less
4 positive responses than those received in the November
5 2003 interviews and surveys.

6 We, Davis-Besse management, assessed this
7 information and determined that prompt management
8 attention was warranted. As a result, the following
9 actions were taken: An external previously utilized and
10 contracted team led by an organizational development
11 consultant was engaged. We brought them in to
12 facilitate management discussion on this topic. They
13 helped myself, my director team, and my management team.

14 We had discussions with that group, that team,
15 and we established a meeting schedule. A series of
16 management sessions were held with the purpose being to
17 gain a shared understanding about the drivers
18 contributing to some of the less positive responses in
19 the 2004 Safety Conscious Work Environment Survey
20 questions and results.

21 Additionally, sessions were held with the
22 selection of supervisors and employees. A number of the
23 drivers were identified. For example, in August, we had
24 implemented a new FENOC organization. At the time of
25 the interviews and surveys, we were in negotiations with

1 both our security organization as well as our Local 245
2 Union and had not come to any agreement or alignment.
3 And we had just recently wrote up a case study on an
4 industrial safety near miss from early in 2004.

5 MR. REYNOLDS: That was
6 Feedwater 780?

7 MR. BEZILLA: That was
8 Feedwater 780.

9 After we did that, an additional management
10 session was held to determined the underlying causes, or
11 attempt to determine the underlying causes for the less
12 positive results in a number of questions in the 2004
13 Safety Conscious Work Environment Survey.

14 Now, parallel with that, we had an independent
15 look by this team, realized they had worked with us a
16 little bit, but we asked them to go off separately, to
17 look in to see what the drivers and causes were from
18 their perspective.

19 The independent look confirmed the conclusions
20 of, I'll say, the management team. And also, as found
21 later, correlated well with the Confirmatory Order
22 Independent Assessment Team's conclusions.

23 The Confirmatory Order Independent Assessment
24 Team's formal debrief was conducted with a cross-section
25 of the site employees. I think we had about, about

1 somewhere between 50 and 100 people, and it was
2 management and supervision and staff.

3 And then based on the feedback from that
4 session, an All Hands Session was scheduled and
5 subsequently conducted, where Doctor Haber got to give
6 the roll out to the, to all the people on site. I'm
7 sure there were some that weren't here, but it was a
8 majority of the site got to hear an unfettered "here's
9 our results" and were able to ask questions and seek
10 additional information from Sonja.

11 Finally, the Senior Management Team met and
12 discussed what immediate behavioral changes could be
13 implemented. I think this is probably a key to our
14 ongoing successes. The result was the Management Team
15 adopted the following areas of focus to demonstrate a
16 clear and overriding priority for nuclear, industrial,
17 radiological, and environmental safety for not only the
18 2005 Steam Generator Inspection Mid-Cycle Outage, but
19 beyond.

20 And these areas of focus were safety versus
21 schedule focus, overall communication quality, the
22 openness on communication of emergent issues, the
23 openness and engagement of employees in the solutions of
24 those emergent plant issues. And, Steve, you had
25 mentioned about the problem-solving and decision-making

1 efforts, and that's a great place to engage those
2 closest to the problem or those most knowledgeable to
3 make recommendations and offer the solutions to those
4 issues. I think we did a pretty good job on the outage,
5 and we'll continue to do a good job moving forward.

6 Resolution disposition of emergent issues and
7 then engagement of the work force to be successful. We
8 need everybody to be engaged, want to be here and want
9 to help. Those were our focus areas heading into the
10 outage based on all the churning we did on the
11 information we had in the November, December time frame.

12 Now, the following is an Integrated Action
13 Plan which addresses the areas for improvement and
14 cross-cutting issues as identified in the Confirmatory
15 Order Independent Assessment Report. Integrated Action
16 Plan addresses immediate actions already taken. Might
17 have over done this, when I get done with this. Short
18 term actions currently in progress, and longer term
19 actions which happened on more of our plan for the
20 upcoming months.

21 Next slide.

22 Action one, and like this is a repeat. We
23 commissioned an independent team to facilitate an
24 Internal Assessment of the results obtained from the
25 Annual Internal Safety Conscious Work Environment Survey

1 conducted in early October. Employees from all levels
2 of the organization participated in sessions facilitated
3 by this independent team, and I think we had four
4 sessions of somewhere between 15 and 20 folks. So, we
5 had a pretty good cross-section.

6 In this, it was to, the independent team was
7 using those groups to help identify drivers and themes
8 contributing to the survey results and helped direct and
9 focus improvement. Several areas of improvement
10 identified by that initiative have also been
11 incorporated into these future actions we want to talk
12 about.

13 MR. HOPKINS: Excuse me, Mark.
14 When you say independent team, who exactly?

15 MR. BEZILLA: That, it was not
16 Doctor Haber and her team; this was four individuals
17 that we had used about a year ago when we had had our
18 first, I'll say, Safety Culture Assessment. And, so,
19 they were familiar with our people and familiar with us,
20 but they hadn't been involved in any of this stuff up
21 until we asked them to come in and say, "Here's the
22 result of our surveys, we want you to go out and we
23 think we know what the drivers are, the management team.
24 We think we know what some of the underlying causes are.
25 Go out and do a check and see if we're on target."

1 MR. HOPKINS: So, they're
2 independent from both FENOC and Doctor Haber.

3 MR. BEZILLA: That's correct.
4 It was a third party.

5 MR. RUTKOWSKI: Sounds like you
6 used focus groups?

7 MR. BEZILLA: And they used,
8 they had, I believe, one or two sessions with
9 supervisors, and then I believe they had four sessions
10 with just a cross-section of employees from all across
11 the site.

12 MR. REYNOLDS: Simple question.
13 COIA, what's that stand for?

14 MR. BEZILLA: That's
15 Confirmatory Order Independent Assessment.

16 MR. REYNOLDS: Should have
17 known that one. I've never seen it written that way
18 before. I always say Confirmatory Order. New
19 initialism for me.

20 MR. BEZILLA: Okay. Action
21 two. We provided the opportunity for cross-section of
22 site employees to hear the direct presentation and that
23 was a December 21 debrief that we had.
24 Then based on, again, interaction with that
25 group; action three, on January 5th, we had an All Hands

1 Session where Doctor Haber had a chance to roll out her
2 findings and was available to answer questions and
3 provide comment.

4 Next slide.

5 Action four. The management team adopted the
6 following areas and I previously talked about that;
7 safety versus schedule, overall communication quality,
8 openness of communication of emergent issues, openness
9 and engagement of employees in the solutions to emergent
10 plant issues, resolution and disposition of emergent
11 issues, and engagement of the work force.

12 Next slide.

13 MR. REYNOLDS: Mark, before you
14 go on. When I was out doing an outage, if I remember
15 correct, Barry, as far as openness and communication for
16 emergent issues, where he used emails or something? I'm
17 making sure.

18 MR. ALLEN: Yeah.

19 MR. BEZILLA: Normally,
20 myself -- prior to the outage, Barry and myself had done
21 morning emails and evening emails. And I think most of
22 the folks liked those. We tried to sort of tell them
23 what was going on and then we had a chance to tell them
24 key actions that were upcoming. Then, if there were any
25 issues, we could talk about issues or inspection reports

1 or whatever.

2 When we went into the outage, we turned that
3 responsibility over to the Shift Outage Director. Steve
4 was on nights and Bob Schrauder, who is toughing it out
5 in Cancun this week, was on days. Okay. And we let
6 those guys do the emails. And they took this and
7 focused on these things.

8 And I'll take the opportunity, Steve, as
9 anecdotal item, the safety versus schedule. We promote
10 schedule very heavily, okay, but the basis for that is
11 that we got to plan our work, we've got to coordinate
12 our work, and then we have to assess our work from a
13 risk perspective. So, if we have a good schedule, then
14 we know where we're at from a risk, from a safety
15 perspective, right. And we've not been fully effective
16 at getting that out, to have everybody latch into that.
17 Okay?

18 Well, these guys made a conscious decision
19 when we got into the Steam Generator Inspection
20 Mid-Cycle Outage not to talk about schedule at all in
21 the emails. That lasted for about seven or eight days,
22 then the people couldn't stand it. So, they started
23 getting flooded with; where we at, what's going on, how
24 are we going to get to the schedule, meaning like the
25 original schedule and the duration.

1 So, then we started putting information in
2 there for them. But we made a conscious decision not to
3 focus on that, and our people couldn't stand it after
4 about a week. So, I think that's a good thing. I think
5 that was a good thing.

6 MR. REYNOLDS: Thanks.

7 MR. BEZILLA: Okay. What
8 we're going to do is, so we had a conscious effort and
9 decision to improve our or change our behaviors, okay,
10 adjust our behaviors based on the feedback that we got.
11 What we wanted to do here is, by March 11, we want to do
12 like a follow-up survey to get feedback from the staff
13 on how they did. And Clark's working on that for me.
14 And we think we found a tool that we can use that's
15 pretty close to our annual assessment; not as many
16 questions, but there is a number of those that are
17 pretty close. Plus, we think we'll be able to compare
18 ourselves to a number of other nukes in the industry,
19 right.

20 So, we're looking at that. And if we don't
21 get that in place, we'll put together a short, they'll
22 get some data, questionnaire here in the next few weeks.
23 And a little later, we'll do a mid period check instead
24 of waiting a year to do another check. We're more than
25 likely going to lean toward that and that way we'll be

1 able to get a comparison to others in the industry.

2 Right now it's hard to get a comparison to others and we
3 would like to do that.

4 Action five. FENOC, this is fleet, will
5 review the organizational hierarchy of the Employee
6 Concerns Program and will make adjustments as
7 appropriate.

8 When we created the new organization, that
9 position had representatives at the sites and had a
10 supervisor in the past, had been a manager level
11 position. And we're worried that that may have sent an
12 inappropriate message or unintended message. So we're
13 going to look at this structure and see if it's
14 appropriate or needs to be adjustment there.

15 Employee Concerns Program is one of our
16 pillars, right, key things that we count on to have
17 issues brought up and be able to resolve issues, and not
18 to have our folks use you all. So, we want to make sure
19 that's healthy and look at that from a fleet
20 perspective.

21 Action 6. Actions will be taken to develop
22 and implement a communication campaign to, say,
23 refamiliarize our folks with the Employee Concerns
24 Program and the Safety Conscious Work Environment Review
25 Team functions.

1 As you all know, during the extended shutdown,
2 we spent a lot of our time, and I'll say training, I'll
3 use the training word, but our time on Employee Concerns
4 Program, what it's about, how it's used, how it's
5 structured, et cetera; as well as our Safety Conscious
6 Work Environment Review Team.

7 And the purpose of that, since we've
8 restarted, I'll say we backed off on some of that. And
9 based on the feedback, I think we need to reinvigorate
10 that. So, this action will get that reinvigorated and
11 hopefully get it into forefront of our team's thoughts,
12 if you will. Okay. So, that's what Action 6 is about.

13 Action 7. Next slide, please. Sorry.

14 Action 7. We'll engage the work force through
15 the Teamwork Ownership and Pride Team and we've got to
16 supplement that with a few other employees because there
17 are a few groups on site that don't have a permanent TOP
18 team member, so we want to make sure we have
19 representation from all the sections.

20 And we're going to ask that group to work as
21 multi-discipline cross-functional team for the purpose
22 of developing alignment to communication tools to
23 facilitate communication and continued learning of the
24 FENOC and Davis-Besse visions values, standards, and
25 expectations, priorities including short and long term

1 goals for the organization.

2 Then once we have that, we'll have facilitated
3 department and sectional level organizational alignment
4 sessions utilizing these alignment tools, if you will,
5 to enhance our communications, our culture, our
6 organizational effectiveness, and we believe individual
7 performance. And that will be through communication of
8 vision, values, standards of expectations, communication
9 of our priorities and goals, discussion of inter and
10 intra department working relationships, refresher
11 training on Safety Culture and Safety Conscious Work
12 Environment, and refresher training on accountability
13 and ownership.

14 And, yesterday, I had the opportunity to meet
15 with about half of the Teamwork Ownership and Pride
16 Team, and give them a prep, if you will, or a primer.
17 And, tomorrow, we have the first session with them and
18 with the, we have a consulting organization that's going
19 to help us with these alignment tools. So the kick off
20 of that is tomorrow.

21 And what I think will happen is, that group
22 will use a few weeks to work with our consulting team
23 and provide them the input they need to help us develop
24 these tools. There may be some fleet participation and
25 there may be some Perry/Beaver Valley participation

1 also.

2 And, then, once we have that, there will be a
3 couple of things. Once I'll have those who are in the
4 know, so I'll have a group of employees who are in the
5 know and be able to help us with this communication of
6 all these things. So, this was taking the feedback on,
7 I haven't used the Teamwork Ownership and Pride Team to
8 the best of their abilities with what they're capable of
9 and this was our effort to engage them more fully and
10 utilize the employee resources available to us.

11 Next slide.

12 Action 8. We'll perform a modified mid period
13 Safety Conscious Work Environment Survey after we have
14 done this roll out of organizational alignment stuff,
15 and that will give us hopefully a feel for where we're
16 at from a Safety Conscious Work Environment standpoint.
17 And that was the item that Clark is working on, seeing
18 if we can find a little better tool that might be able
19 to be more compared with others in the industry.

20 And Action 9. Actions will be developed and
21 implemented to devote more time in the work week for
22 managers and supervisors, and managers and employee
23 interactions to listen to and address issues and
24 concerns. And this action's focus is to develop a more
25 structured administrative approach to our site meetings

1 and activities, so we free up time for the managers and
2 supervisor, or I'll say dedicate time, put it in the
3 work week schedule, that this is the time for the
4 supervisors and managers to have face time with their
5 employees and listen and be able to respond to issues
6 and problems.

7 So, we think that will help, communications is
8 like critical to our being able to improve our Safety
9 Culture, Safety Conscious Work Environment.

10 Next slide.

11 Finally, the Confirmatory Order Independent
12 Assessment Team questioned the effectiveness of the
13 current tools being used to assess and monitor Safety
14 Culture. These tools utilize both qualitative and
15 quantitative inputs to evaluate the strengths and
16 attributes that contribute to a healthy Safety Culture.
17 Employee behaviors, opinions, and performance weigh in
18 at a number of the attributes.

19 To that end, FENOC, this is a fleet initiative
20 as well as Davis-Besse, will assess the following Safety
21 Culture and Safety Conscious Work Environment monitoring
22 assessment tools to identify opportunities to enhance
23 their effectiveness. This initiative will include
24 utilization of the new industry principles.

25 And, as you guys know, the Institute of

1 Nuclear Power Operation had taken on a challenge to look
2 at what they could do to help us know what principles
3 for a strong nuclear safety culture entail and what
4 those attributes would look like. So, we've taken this,
5 and this is one of the major tools we'll use to look at
6 the stuff we currently had and we're going to migrate
7 towards this principles documents that's been put out by
8 the Institute of Nuclear Power Operations.

9 In fact, just this weekend, Friday and
10 Saturday, we had an Executive Leadership Team Retreat,
11 and we talked about a number of things. One of the
12 things we talked about was our behaviors and cultures.
13 And Lew was a vivid proponent of this is what we ought
14 to be resembling and this is the way we ought to be
15 managing and behaving.

16 So, from an Executive Leadership Team, we've
17 looked at this also, and I think we set the ground work
18 to make this, I'll say, our book, like Steve was talking
19 about the engineers, but for everybody, so.

20 MS. LIPA: So, Mark, on
21 that one I didn't see the list of commitments in
22 response to the COIA, the Confirmatory Order Independent
23 Assessment.

24 MR. BEZILLA: You're very
25 perceptive. This wasn't a specific area for

1 improvement, but it was a recommendation. And in our
2 response, we said we're going to go do this right. So,
3 it wasn't a hard Confirmatory Order AFI response, but we
4 know we've got to do it. So, it's in our response to
5 you. It was in the letter. It just wasn't under those
6 specific responses to the AFIs.

7 MS. LIPA: Okay, thank you.

8 MR. BEZILLA: Okay. What
9 we'll do is, we're going to evaluate the FENOC Safety
10 Culture Monitoring Assessment Business Practices. We
11 have two of those. Evaluation of the quarterly Safety
12 Conscious Work Environment performance indicators to
13 assess their effectiveness in monitoring the health of
14 the Safety Conscious Work Environment pillars.

15 In our Employee Concerns Program, we have a
16 number of indicators. And it may be time to update
17 those and refresh those, and see if we can get those to
18 be more leading. And we'll be looking at that also.
19 That's a key item for us.

20 Then, we'll review and modify the annual
21 Safety Conscious Work Environment Survey questions to
22 improve clarity, because there has been some confusion,
23 and try to improve the interpretation that happens on
24 those questions by those surveying and by those in
25 assessing the survey results. So, we believe we can

1 improve that total. And, as I said earlier, Clark is
2 looking to see if we can align the others in the
3 industry also.

4 And, then, finally, there is a three-question
5 survey that we're using daily and using weekly. And
6 right after the outage we asked everybody to give us
7 their feedback using that. That's the one that says,
8 hey, are we keeping safety first and foremost; is the
9 schedule realistic and doable; and are you getting all
10 the communication you need from your supervision and
11 management chain? We'll assess that and see whether
12 that's outlived its usefulness or whether that's a valid
13 tool for us.

14 By the way, the responses we got were
15 overwhelmingly positive, which is encouraging input to
16 me. Okay.

17 Next slide, please.

18 So, we, Davis-Besse, have developed an
19 integrated plan to address the results of the
20 Confirmatory Order Independent Assessment Safety Culture
21 and Safety Conscious Work Environment. The assessment
22 results, this is the Confirmatory Order assessment
23 results, we believe have good correlation with the
24 internal surveys and assessments performed by the
25 station during that fourth quarter of 2004.

1 Through both the internal independent surveys
2 and assessments that were performed in late 2004, our
3 employees demonstrated a high degree of willingness to
4 provide candid, open responses, and to identify issues
5 they perceived that were inhibiting continuous
6 improvement in Safety Culture and our Safety Conscious
7 Work Environment atmosphere.

8 The Confirmatory Order Independent Assessment;
9 it had some positives, right? Also identified positive
10 observations in a few areas; stating that most
11 individuals interviewed expressed a belief that they
12 could raise concerns without fear of retaliation, that
13 employees understand they are responsible for
14 identifying problems, that Davis-Besse is good at
15 identifying problems, and that employees at the station
16 are not inhibited in raising safety questions.

17 These positive behaviors are also reflected in
18 the October 2004 Safety Conscious Work Environment
19 results in several key survey questions, which indicate
20 strong percentages of employees understanding and accept
21 their responsibility to identify problems and raise
22 safety concerns or quality concerns even when the cause
23 may have been their personal error.

24 So, there is a strong percentage that says,
25 hey, even if I screw up, I know I've got to bring it

1 forward and make sure it gets taken care of.

2 Now, although these are some strong
3 indications of a healthy Safety Culture and Safety
4 Conscious Work Environment, we, FENOC and Davis-Besse,
5 also recognize that there remain opportunities for
6 continued improvement in these important contributors to
7 sustain nuclear, industrial, radiological and
8 environmental safety.

9 To address the areas for improvement
10 identified in the Confirmatory Order Independent
11 Assessment Report and other internal survey and
12 assessment results, we will implement the actions and
13 action plan that I just presented.

14 Implementation, I believe implementation of
15 these actions and action plan will further enhance and
16 drive long term improvement at Davis-Besse.

17 That's all I have.

18 MR. REYNOLDS: You talked a
19 little bit about November 2003 to last year, November
20 2004, and then also your October -- I'm sorry, not much
21 improvement, if any. And you talked a little about the
22 drivers, some of the issues going on in your
23 organization and union negotiations. And somebody said
24 that was just unfortunate timing. Others may say that
25 was a lack of sensitivity by corporate and Davis-Besse

1 management on being aware of what impacts Safety Culture
2 and Safety Conscious Work Environment.

3 And, I was listening to your actions, and I
4 may have missed it, but what's being done to be aware
5 that those drivers you have an impact and increase the
6 sensitivity of the corporate and yourself and your staff
7 there, that, hey, these are significant drivers and may
8 be unintended, but they definitely have an adverse
9 effect on people's perceptions?

10 You know, people's perceptions are their view
11 of reality on Safety Culture and Safety Conscious Work
12 Environment. What's being done to prevent those
13 unfortunate timing from happening?

14 MR. BEZILLA: So, we don't
15 want to game anything. Okay. And so, from a, being as
16 forthright as possible, I'm not sure there would have
17 been any better time, right? Because if there was going
18 to be a low from our people, it would have been after a
19 reorg, trying to negotiate a contract that's about ready
20 to expire, and then rehashing behaviors that occurred
21 six months ago in a case study, right?

22 So, the results, I wasn't surprised by the
23 results, Steve. Okay? I thought this was going to be
24 an interesting interview period, survey period.

25 Now, when we did those things, right,

1 specifically the reorganization, we fussed with that for
2 about a year, right. We used our Safety Conscious Work
3 Environment Review Team process, and we had numerous,
4 numerous Safety Conscious Work Environment Review Team
5 sessions to make sure that as we went through and chose
6 the organization, we were being fair and being
7 equitable.

8 We used the Industrial Relations. We used
9 Human Resources Organization. So, like, how do we do
10 what we believe we need to do, but minimize the impact?
11 And, so, management sometimes has to do difficult things
12 or make difficult choices. But where we're at, I'll
13 say, the lessons learned is, you just have to be
14 sensitive to that, right, and we did what we thought we
15 needed to do to minimize the impact to the work force
16 with this, I'll use the new organization as an example.

17 Now, if we would have that to do over, what
18 would we do different? Probably, it would all revolve
19 around more communication. All right? And we did a lot
20 of communication, but until you actually implement the
21 new organization, it impacts the person next to you, or
22 you, I'm not sure how much attention there was from the
23 individuals. Okay? Then, when you actually act, where
24 now it hits home, right, because it impacts you or
25 someone you have worked with or care about.

1 So, I think the lessons learned is to be
2 sensitive to those types of things, and realize
3 management still has to make the difficult choices, but
4 to be sensitive and to try to be as humane as possible
5 in execution of some of those things, especially where
6 there is people involved or work environments or things
7 like that.

8 That's the lessons, the lessons learned. It's
9 just, how do you do that? I'll say, as gently as
10 possible, but still do the things you believe you need
11 to do to manage the organization or manage the facility.
12 And if there is any more -- that's my take.

13 THE COURT: Thanks.

14 MR. BEZILLA: Any other
15 questions?

16 Okay, if not, I'll turn it over to Ray and
17 he'll give you the Oversight's perspective.

18 MR. HRUBY: Thanks, Mark.

19 Good afternoon.

20 Mark, Barry, and Steve have already discussed
21 the results of some of the recent activities at
22 Davis-Besse. Today, I will be presenting some of the
23 Quality Oversight Organization's independent
24 observations.

25 I want to begin by presenting some of the

1 results of the Oversight Organization's fourth quarter
2 assessment. As you're aware, I presented the third
3 quarter assessment during the last meeting, so I'll be
4 presenting the fourth quarter assessment during this
5 meeting.

6 During the fourth quarter, Oversight audited
7 14 primary elements and 13 program areas. In the four
8 functional areas of Operations, Engineering, Maintenance
9 and Plant Support. These functional areas were
10 evaluated using the continuous assessment process.

11 Four performance categories were used to rate
12 the effectiveness of programs and primary elements. The
13 ratings were effective, satisfactory, marginally
14 effective, and ineffective.

15 During the fourth quarter, three primary
16 elements were rated effective; eleven were rated
17 satisfactory. No primary elements were rated marginally
18 effective or ineffective.

19 MR. REYNOLDS: Ray, could you
20 give us a couple examples of one or two that was
21 effective and one or two that was sat.?

22 MR. HRUBY: Yeah, I can do
23 that.

24 Just for clarification, primary elements are
25 key attributes that Oversight's required to evaluate

1 over the course of a period. A program area is an area
2 like Operations or Maintenance or one of those areas.
3 Then the function areas, I just went over, the four
4 functional areas.

5 Some of the primary elements that were rated
6 effective were Radiation and Protection Measurements and
7 that was rated effective over a 24-month period. Also,
8 the Records Storage Facility. That would be under the
9 area of Records Management and Document Control.

10 MR. REYNOLDS: Okay.

11 MR. HRUBY: Some of the
12 satisfactory rated areas would be in the area of
13 Chemistry, the off-site calculation manual in
14 implementing procedures, that was rated satisfactory.
15 Also, the Fire Protection area, Fire Prevention Program
16 Administrative Controls, and also the program procedures
17 and prefire plans. I could go through more if you wish.

18 MR. REYNOLDS: No, just an
19 example.

20 MR. HRUBY: Those are some
21 examples.

22 Okay. During the fourth quarter, Nuclear
23 Oversight also performed reconciliations in five program
24 areas. Two program areas were rated satisfactory.
25 These were in the areas of Nuclear Security and Fitness

1 for Duty, which were evaluated over a period of 24
2 months and 12 months respectively.

3 Three program areas were rated marginally
4 effective. These were the Work Management, Corrective
5 Action and Emergency Response Program areas. The Work
6 Management Program area was rated marginally effective
7 based on a collective review of work management primary
8 elements over the last two-year period.

9 The second area that was rated marginally
10 effective was the Corrective Action Program area, which
11 was evaluated over a two-year period also.

12 Nuclear Oversight has noted improvements
13 during the past year in some aspects of the Corrective
14 Action Program implementation, such as identification
15 and classification; however, the backlog of condition
16 reports and corrective actions and timeliness issues
17 continue to challenge the overall program effectiveness.

18 The third area, was Emergency Response Program
19 area, which was also rated marginally effective for the
20 past one-year period. Emergency Response was rated
21 marginally effective due to challenges that involve
22 administrative program noncompliance issues, procedure
23 implementation of weaknesses and SAR and equipment
24 failures.

25 Now, it's important to clarify that, although

1 the Emergency Response area was rated marginally
2 effective for the past twelve-month period, the
3 established program controls required to respond to an
4 emergency remained satisfactory.

5 MR. HOPKINS: Excuse me, Ray.
6 What do you mean by reconciled program area versus
7 honor?

8 MR. HRUBY: Reconciliation
9 is part of the honor process. As I talked about the
10 primary elements, there is a number of primary elements
11 within a program area. We do several of those each
12 quarter. And then at the end of a period, either one
13 year or two years depending on the program area, we're
14 required to look back at the grades that we gave to all
15 the primary elements; and that's referred to as a
16 reconciliation. So, when we reconcile a program area,
17 we're looking at all the primary element grades over
18 that span of time.

19 MR. HOPKINS: Okay.

20 MR. HRUBY: Okay. Next, I'd
21 like to talk about some independent insights and discuss
22 some future focus areas.

23 First, training is an important aspect in
24 nuclear power plant activities. High quality training
25 leads to excellence, while poor training will eventually

1 lead to performance issues in the plant.

2 Management needs to ensure that the line
3 organizations take the lead in developing effective
4 training programs. Management also needs to continue to
5 ensure that the proper focus is placed on training, site
6 personnel, in order to improve station performance.

7 Second, procedure content and adherence continues
8 to be a concern at Davis-Besse. The number of procedure
9 content and adherence findings were presented in the
10 fourth quarter assessment report. As discussed in the
11 last several quarterly reports, management needs to
12 focus additional attention on correcting identified
13 cross-cutting procedure compliance and program issues.

14 Third, organizational performance, especially
15 during the recent Steam Generator Inspection and
16 Mid-Cycle Outage was a specific focus for the Oversight
17 section. Our observations and feedback from site
18 personnel indicate that the Davis-Besse Management Team
19 behaviors consistently exhibited the appropriate Safety
20 Culture and encouraged a healthy Safety Conscious Work
21 Environment during the Steam Generator Inspection
22 Mid-Cycle Outage.

23 MR. REYNOLDS: Ray, did you
24 write any CR's on organizational performance, your
25 group?

1 MR. HRUBY: During the?

2 MR. REYNOLDS: Outage.

3 MR. HRUBY: I don't recall

4 any additional reports of significance. Most of the

5 observations we have were positive. I attended just

6 about all the O630 meetings. The message was very

7 consistent. The focus was on improper execution, Safety

8 Culture, Safety Conscious Work Environment, making

9 proper safety decisions. And, that was my observation.

10 MR. REYNOLDS: Okay, thanks.

11 MS. LIPA: I had a question

12 too. When you talk about procedure content, I guess I'm

13 focused on thinking that maybe is procedure quality, but

14 maybe your term implies a little broader than that.

15 MR. HRUBY: I think it has

16 to do with quality. There is a number of procedure

17 deficiencies that are being identified, and those are

18 being put in the process to be revised. That's a

19 positive thing, but the concern is that there is a

20 certain amount of changed management that we also have

21 to address. There has been a large number of fleet

22 issue operating procedures and those have been

23 implemented at the station. And we just need to

24 continue to focus on making sure the people are aware of

25 the changes and are adhering to those procedures also.

1 MS. LIPA: Thank you.

2 MR. HRUBY: Next, I want to
3 discuss the future focus areas. First future focus
4 areas is Operations performance, specifically technical
5 specification compliance and the conduct of Operations.

6 Second focus area will continue to be the
7 implementation of the August 2004 FENOC reorganization.
8 And the results of this reorganization assessment I
9 expect to be presented in the first quarter of 2005
10 report.

11 And the last focus area is on training.
12 Quality Oversight intends to closely monitor these and
13 other focus areas.

14 That concludes my presentation. Are there any
15 questions?

16 MR. REYNOLDS: Just a comment.
17 Ray, Quality Control works for you?

18 MR. HRUBY: Yes, they do.

19 MR. REYNOLDS: I was out in the
20 plant today with Monica, we were looking at molded case
21 circuit breaker testing. One of the shops, they were
22 bench testing. QC individual was there. He was
23 definitely doing his job. I mean, paying attention. He
24 was able to answer all our questions probably faster
25 than the staff was. So, I don't know who the individual

1 was, but I was quite pleased with his Quality Oversight
2 activities.

3 MR. HRUBY: I appreciate
4 that.

5 MR. BEZILLA: Okay, next
6 slide.

7 Kevin, last slide.

8 Steve, I want to thank you and Christine for
9 the opportunity; appreciate your questions and
10 challenges. And I just like to leave you with a thought
11 that we at Davis-Besse staff, we are people with a
12 strong safety focus, aspiring to deliver top fleet
13 operating performance.

14 Thank you.

15 MR. REYNOLDS: Couple other
16 questions that caught my curiosity. I was in the lunch
17 room. You have a box there. I think it's called a KIP,
18 K-I-P Program. And I was, how many people participate?
19 How many cards do you get? How accurate is that
20 program? Do you have a sense?

21 MR. BEZILLA: That's the Keep
22 Improving Performance Program. And it's not as accurate
23 as we would like it to be. We get, I'll say, dozens of
24 cards. We'd like hundreds of cards. And there is a
25 piece to that. We have an Electronic Management

1 Observation Program, which we use real heavily; that
2 Keep Improving Performance. You can use either one. We
3 weigh more heavily on the electronic version than the
4 card. We're pushing, and we have some activities in
5 place to try to get that thing, I'll say, jazzed up, if
6 you will.

7 MR. REYNOLDS: Okay. Along
8 with that, in the training area, you have something
9 called gold digger?

10 MR. BEZILLA: Gold nuggets.

11 MR. REYNOLDS: Gold nuggets.
12 That's also feedback to training. How active of a
13 participation do you get in that?

14 MR. BEZILLA: That's a
15 relatively new program. I think that's been in effect
16 for a couple months.

17 MR. OSTROWSKI: About a couple
18 months.

19 MR. BEZILLA: About three
20 months.

21 MR. OSTROWSKI: And, in that
22 particular case, where our employees, and again, we
23 initiate in Operations and received the idea actually
24 from Beaver Valley, and initiated the program just a
25 couple months ago, whereby we ask employees to identify

1 those jobs that they do where training was beneficial to
2 them.

3 For an example, we reviewed five specific
4 cases during the Mid-Cycle Outage yesterday where
5 operators had submitted the strike gold cards, which
6 identified things that they did during the mid-cycle
7 that they learned or helped improve their performance
8 originating in training.

9 So, it's something that we utilize to give our
10 training feedback on how useful that training was.

11 MR. BEZILLA: Steve, new
12 program just coming out of the box.

13 MR. REYNOLDS: Okay. First
14 time I heard it; sounded interesting.

15 And then, I guess lastly, yesterday, I guess,
16 your president, Gary Leidich, held, gave a presentation,
17 talked about I guess, key metrics for this year, both
18 fleet wide and Davis-Besse wide. Could you share some
19 of those with us?

20 MR. BEZILLA: Okay, I didn't
21 bring the sheet with me, but it's industrial safety.
22 Clark has it. I have most of them. Industrial safety
23 is on there. Institute of Nuclear Power Operation
24 indicator, which is essentially based on safety, safety
25 focus, and then there is also performance items in

1 there. It's an index, right, so it has both safety and
2 performance measures in there.

3 MR. OSTROWSKI: Production.

4 MR. BEZILLA: There is
5 megawatt hours in there as a fleet perspective.

6 Clark, there is a couple more?

7 MR. PRICE: Safety Culture.

8 MR. MYERS: Safety Culture
9 Index.

10 MR. BEZILLA: Duration and
11 Safety Culture Index. I think those are the top five in
12 there.

13 MR. REYNOLDS: Do you plan,
14 that would be open for anybody within the staff to see,
15 right?

16 MR. BEZILLA: Say that again?

17 MR. REYNOLDS: Any member of
18 the FENOC staff was able to see that yesterday?

19 MR. BEZILLA: Oh, yeah, there
20 was a satellite broadcast which we taped because some of
21 our folks were off yesterday. And we have these
22 handouts we made, we had like three thousand of them
23 made up, so each employee should be able to take one of
24 these, and I think it's also in the letter.

25 MR. REYNOLDS: That answered my

1 question, how are you going to communicate. You're
2 going to hand that out. Okay.

3 MS. LIPA: Another question
4 that I had, back to your talk, Mark, about your lead in
5 really when you talked about the Independent Assessment
6 of Safety Culture; and the main bullet said that the
7 assessment team found that that area had not
8 significantly changed since the last Independent
9 Assessment done in February of 2003.

10 So, just looking at the terminology that it
11 had not changed, that could mean that if it was good, it
12 stayed good, but in fact you were trying to make an
13 improvement, right? So, the fact that it did not change
14 is disappointing to you or is that what you expected or
15 I'm kind of wondering your reaction to that comment?

16 MR. BEZILLA: Our goal is to
17 have it continually improve. Based on some of the
18 drivers we talked about, right, it wasn't surprising
19 results, but if you think back to February of 2003,
20 we've been down for about a year, right? We were
21 turning up everything and anything. And from a Safety
22 Culture, Safety Conscious Work Environment, I would say
23 that was probably on a pretty positive note at that
24 time. Right? So, not having significant change I think
25 is a positive thing.

1 And, as I said, Clark's working on getting us
2 to be able to compare ourselves with some other nukes,
3 if you will, out there. And, very preliminarily, we
4 sent out information from our October survey, and we
5 said, here, match up your questions, pull out -- here's
6 our data, pull out the stuff that's applicable and tell
7 us where we sit. And at least on preliminary feedback,
8 it looks like we're sort of in the middle of the pack.
9 So, that's very, very preliminary, right. So, we'll get
10 you more information when we're smarter on that area.

11 But to your question, we want to continually
12 improve, but at some point you're going to be where
13 you're at. All right. We've talked about that. How do
14 you continually improve in that area? Some of the
15 things we get 99.9 or a hundred on them. I'm not sure
16 what we can do on those. The things we get 60's or 70's
17 on, we know we have to improve in those areas.

18 MS. LIPA: Thank you.

19 MR. REYNOLDS: I have just a
20 couple of closing comments myself.

21 First of all, I appreciate you being with us.
22 Appreciate you making this available to your staff. I
23 know a lot of your work activities stopped at 1:30.
24 When we opened it up for your questions, if you don't
25 have any questions, you might want to think about what

1 your fellow worker who wasn't able to make it here may
2 ask you and may prompt some more questions. I will be
3 more than happy to try to answer that.

4 But I do appreciate members of the audience
5 coming here. And, Jere and John, I appreciate you
6 making the effort to come out here to represent Ottawa
7 County. I think that's important.

8 Let's see, we go back to February of 2002, I
9 think is when you shut down. And we went two plus years
10 to recover and restart, I guess, April of last year.
11 Now we're coming on another 10 month of operations.
12 And, probably ten months of at least adequate
13 performance.

14 Where do we go from here? What's NRC's -- how
15 long does Davis-Besse continue to have increased NRC
16 oversight and attention? How long does the 0350 Panel
17 remain in place? A simple answer is, based on your
18 performance, it's up to you guys. Plain and simple.

19 Based on your performance of equipment, based
20 on performance how effective you're implementing your
21 programs and processes, and how well your people
22 perform. All three pieces are key; equipment, processes
23 and people.

24 We're looking at sustained performance. So,
25 it's going to be awhile before we're ready to say

1 Davis-Besse is there. Safety Conscious Work Environment
2 and Safety Culture is the latest Independent Assessment
3 that we've required you give to us. We're going to do
4 inspections coming up this spring. That will be key.
5 The Cycle 14 commitments you made to us will be key
6 activities. And then the, your other commitments for
7 your areas for improvement on the other three areas of
8 the Order. Those are key; Ops, Engineering, Corrective
9 Action.

10 Corrective Action is key. I think that would
11 be graded largely marginally effective by the Independent
12 Assessment. We noted some improvement, but it's not
13 there yet.

14 So, I can't give you an answer of date. It's
15 based on your performance; how well you perform. And
16 the hard part of, it's sustained.

17 I don't have any questions of that. It's
18 probably the first time that question has been broached
19 in this type of forum.

20 MR. BEZILLA: Our goal is not
21 to give you any reason to keep us on the 0350 process.
22 Okay?

23 MR. REYNOLDS: Okay, good.
24 With that, I think we'll close the business portion of
25 this meeting, take a quick break, and then we'll be

1 willing, the NRC will be here to answer questions from
2 the audience.

3 Thank you, Mark.

4 (Discussion held off the record.)

5 MS. LIPA: Okay. Well, I
6 wanted to make sure that anybody who had a comment or a
7 question for the NRC had an opportunity to come up and
8 state their name. We have a sign-in sheet here at the
9 microphone. State your name and your comments or
10 question, and we'll do our best to answer your
11 questions.

12 So, if there is anybody from the local area
13 that has any comments or questions for us.

14 If not, is there anybody who is not from the
15 local area, who has any questions or comments for us?

16 Don't be shy now.

17 Okay, while you're thinking, I'll let you know
18 that we're looking forward to when we'll be scheduling
19 the next public meeting, probably in about two months or
20 so. We'll be sure to advertise public notice of that,
21 as soon as that date is set. Right now we're looking at
22 our schedules to try to pick the best date, and that's
23 one upcoming activity here.

24 Okay. Well, I would like to thank you all for
25 coming. Have a good night.

1 MR. MYERS: This is the best
2 sound system we've had yet.

3 (Off the record.)

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CERTIFICATE

I further certify that I am neither counsel for, related to, nor employed by any of the parties to the action in which this proceeding was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially interested, or otherwise, in the outcome of this action; and that I have no contract with the parties, attorneys, or persons with an interest in the action, as defined in Civil Rule 28(D).

MARIE B. FRESCH, RMR
Notary Public, State of Ohio
My Commission expires: 10-10-08